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Shultz Intervened To Halt \$58-Million Loan to Nicaragua

By Karen DeYoung
Washington Post Service

WASHINGTON — Secretary of State George P. Shultz intervened personally with the president of the Inter-American Development Bank to block a vote on a \$58-million loan to Nicaragua, in what bank officials and Latin American diplomats have described as an unprecedented Reagan administration effort to pressure the institution.

In a Jan. 30 letter to the bank's president, Antonio Ortiz Mena, Mr. Shultz expressed the administration's "strong" opposition to the loan, and the "hope that the bank's management will be able to defer the release of the documentation" compiled by the bank's technical staff in support of the loan.

Detailing the administration's belief that Nicaragua is "not creditworthy," Mr. Shultz also noted concern about the possible misuse of the funds in the Philippines to finish its

about the far Manila district, and the lack of available awards for the one who was the Ramon Magsaysay, which he received literature. The after the Philippines, he dedicated his life to giving in five

"If I depended on me, I would have starved to death."

The letter said that bank approval of the loan would make Reagan administration efforts to provide new financial contributions to provide the "even more difficult" and

would "undercut" efforts to expand the institution's resource base.

The Shultz letter follows more than two years of dispute over the loan to Nicaragua. The \$58 million is intended to provide financial credits for small- and medium-sized farms and allow farmers to purchase supplies needed for the production of basic foods.

More indirect U.S. efforts to delay processing of the loan to Nicaragua led to concern early this year among Latin Americans that the bank's reputation for impartiality was being undermined. At the same time, several Latin American diplomats said there was concern that the precedent could be applied to other countries, should they become involved in a dispute with the United States.

The situation became more uncomfortable when bank directors from the member countries realized that, despite technical approval of the loan, the technical documents never had been circulated to the bank's governing board and thus the loan had never been placed on the agenda for a final vote.

On Jan. 17, all 25 Latin American members of the bank, representing a voting majority, took the unprecedented step of jointly requesting that the Nicaraguan loan be placed on the board's agenda, indicating they would approve it.

(Continued on Page 2, Col. 4)

Abductions of 56 Backers Of Nkomo Are Reported

By Alan Cowell
New York Times Service

BULAWAYO, Zimbabwe — At least 56 supporters of Joshua Nkomo, the Zimbabwean opposition leader, have been abducted and probably killed by squads operating at night and in unmarked cars in the troubled province of Matabeleland, church officials and opposition figures said this week.

The officials and others who spoke here in the provincial capital said it was possible that scores of people in addition to the 56 had been kidnapped and killed since mid-January.

One diplomat compared the type of the disappearances to the activities of "Latin American hit squads working from his lists of victims."

However, diplomats noted that the number of abductions and presumed killings appeared to be lower than in previous years. In 1983 and 1984, unofficial estimates of the death toll among civilians ran as high as 2,000 after the Zimbabwean Army conducted sweeps through the province, supposedly to quell an insurgency.

The highest estimate of the number of people abducted in January and February is made by Mr. Nkomo, who said that almost 300 people have disappeared in Matabeleland, his longtime political stronghold. His party, the Zimbabwe African People's Union, has made a lower estimate.

Western nations, including the United States, have expressed concern about the increase in political violence that has developed before general elections that are expected in June. They will be the first general elections in Zimbabwe since it became independent from Britain in 1980.

Government officials, noting that Prime Minister Robert Mugabe has acknowledged unruly be-

havior by some young party loyalists, depicted the kidnappings as acts of unauthorized vengeance for the killing of several of his followers in Matabeleland.

In a speech on Feb. 16, Mr. Mugabe said: "There appear to be some groups of youths who, contrary to party discipline, are going about harassing innocent people. I would rather have no members in the party than members who are coerced."

The consensus among church officials and diplomats who were interviewed in Bulawayo and in Harare, the capital, seemed to be that the abductions were not ordered by Mr. Mugabe himself, but were instigated by unidentified officials in his party, the Zimbabwe African National Patriotic Front.

Those interviewed gave no indication of who, precisely, has been ordering the abductions.

A church official with wide

(Continued on Page 2, Col. 3)

Patient Who Got Artificial Heart Dies After Human Heart Transplant Fails

The Associated Press

TUCSON, Arizona — A 33-year-old man who was kept alive for 11 hours with an artificial heart died Friday after his second transplant human heart failed, officials at the University of Arizona Medical Center announced.

Dr. Allan Beigel, a university vice president, said that Thomas Creighton, an auto mechanic, died in the afternoon.

He had said earlier that Mr. Creighton's condition had "deteriorated rapidly" in the previous three hours.

Dr. Beigel said the main problem was fluid in Mr. Creighton's lungs that placed more pressure on the heart, which was transplanted early Thursday after the artificial heart was removed. Mr. Creighton had received his first human heart transplant Tuesday, a day before getting the artificial heart.

The spokesman said Thursday that doctors were not considering use of another mechanical device to keep Mr. Creighton alive should the second transplanted heart fail.

On Friday morning, Dr. Beigel said that Mr. Creighton was trying

to breath on his own, but that he remained on a respirator. He said there had been no change in Mr. Creighton's "reduced state of consciousness."

Dr. Beigel said there were no signs of brain damage, which doctors feared could have resulted from the 10 hours that Mr. Creighton spent on a heart-lung machine before the experimental "Phoenix heart" in a human for the first time.

Officials of the U.S. Food and Drug Administration expressed concern that regulations on artificial heart implants were not followed in using the heart to temporarily sustain Mr. Creighton after his first human heart transplant was unsuccessful.

William Grigg, a spokesman for the agency, said in Washington on Friday, "We don't contemplate any drastic penalty, assuming this was a legitimate emergency in which the patient's rights were protected."

He left open the possibility of some penalty, such as a reprimand, but said, "We don't aim to bulldoze the hospital." Mr. Grigg added:

"Our interest is protecting the patient from unwanted experiments — in other words, being guinea pig; it's not to second-guess the doctor."

Dr. Jack Copeland, who headed the surgical team in Tucson, and Dr. Cecil Vaughn, who did research on the Phoenix heart with calves at St. Luke's Hospital in Phoenix, defended their decision as the only way to keep Mr. Creighton alive.

Of the three men who have been given permanent artificial hearts, Dr. Barney B. Clark died after 112 days on the heart implanted in Salt Lake City, Utah in 1963. In Louisville, Kentucky, William J. Schroeder and Murray P. Haydon are living with Jarvik-7 hearts. Mr. Schroeder received his last Nov. 25, and Mr. Haydon had an implant Feb. 17.

Some guests, expecting a sedate tea, were surprised to find pink-draped tables laden with crab and lobster, blini and caviar, fruit, wines, cognac and vodka.

Among the guests were some of the leading women in Soviet society, including Galina Ulanova, a retired ballerina, and the country's two female cosmonauts, Valentina Tereshkova and Svetlana Savitskaya.



Guerrillas Are Linked to Salvadoran's Slaying

The body of the Salvadoran armed forces' chief spokesman, Lieutenant Colonel Ricardo Cienfuegos, after he was shot Thursday, apparently by leftist guerrillas, at a tennis club in San Salvador. A banner with the initials, FPL, the Spanish initials of the Popular Liberation Forces, was draped over him. The group is a faction of the leftist Farabundo Martí National Liberation Front. A balloon said he saw three persons dressed in tennis attire running from the court.



Rescuers searching through the rubble following the car-bomb explosion Friday.

Legislators Tie MX Support to Arms Talks

By Bill Keller
New York Times Service

WASHINGTON — An influential group of senators and representatives has agreed on a broad strategy linking the future of President Ronald Reagan's nuclear weapons program to signs of American "good faith" at the arms control talks in Geneva.

would constitute "good faith" at the arms talks but as official observers they would be able to judge.

The lawmaker said that one measure would be willingness to give some ground on the administration's space-based strategic defense plan, known as the Strategic Defense Initiative, which the Russians have opposed.

"I personally believe that if the Soviet Union is willing to make concessions, as it has not in the past, on its heavy missiles," the lawmaker said, "and if they suggest a trade-off that offered radical reductions in their heavy missile force, that we would be willing to

stop the development" of the Strategic Defense Initiative.

Mr. Nunn confirmed Thursday his intention to vote for the 21 missiles, "to put both sides in a mood" to negotiate seriously about reducing their arsenals of such large, multi-warhead missiles.

He also said that he and other members "have talked in general terms" about linking the missile to arms control and that he would probably support cuts in subsequent production of the MX, and possibly in the goal of deploying 100.

Other participants in the Wednesday meeting described the outline of their strategy linking arms control and missiles on the condition that they not be named.

In addition to Mr. Aspin and Mr. Nunn, the group includes Senator Albert Gore Jr., Democrat of Tennessee; Representative Norman D. Dicks, Democrat of Washington, and Senator William S. Cohen, Republican of Maine.

The four Democrats belong to a group of official congressional ob-

servers at the arms talks which will give them access to top-level briefings on the Geneva developments.

Despite the evident tide in favor of approving Mr. Reagan's MX request, the speaker of the House, Thomas P. O'Neill Jr., Democrat of Massachusetts, said Thursday that he had not given up on defeating the MX.

"I'm still vainly hoping that I'll be able to change Les's mind," the speaker said, referring to Mr. Aspin. He added that "we've got a good solid bloc of votes in the House" against the missile, but that "the White House is using tremendous pressure" to assure a favorable MX vote.

Mr. O'Neill said he would not turn anybody's wrist" to vote a party line on the MX.

The House Democratic leader, Jim Wright, Democrat of Texas, said Thursday that he would be part of a delegation of six to eight House observers, joining a 12-member Senate group for the opening of talks in Geneva.

According to several members of

(Continued on Page 2, Col. 5)

President Ronald Reagan's vision of defensive systems to render nuclear weapons "impotent and obsolete" has done nothing less than assault the core of nuclear philosophy: deterrence based on the threat of retaliation.

On Monday and Tuesday, as the Americans and Russians resume arms talks in Geneva, the Herald Tribune will examine thoroughly the "star wars" proposal, including its background and both U.S. and Soviet advanced technology. European concerns over the defensive system will also be reviewed.

The strategy assures that Mr. Reagan's arms negotiating team, which was to leave Friday for Geneva, will be under close watch from Capitol Hill, especially on the central issue of space weapons.

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Austria Tries to Come to Terms With a Half-Buried Nazi Past

By James M. Markham
New York Times Service

VIENNA — For decades, Austria has lived with a half-truth that has enabled it to skirt the part it played in the crimes of the Nazis. It goes like this: As the first victim of Hitler's aggression, in 1938, Austria was not responsible for what happened afterward.

But in recent weeks a controversy over a seemingly isolated episode — a cabinet minister's decision to welcome a freed Nazi criminal on his return home — has rippled outward into the country's political establishment, revealing widespread and compromising links to the Nazi past.

The controversy was set off by Defense Minister Friedhelm Frischenschlager, who flew to Graz in January to receive Walter Reder, an Austrian-born former major in the Nazi SS. He had been freed from a life sentence he was serving in Italy for his role in the mass killing of Italian civilians in 1944.

Like a substantial number of senior politicians in the small Freedom Party, the junior partner in Austria's Socialist-led coalition, Mr. Frischenschlager is the son of a Nazi party member.

When the defense minister elaborated his apology for an Israeli newspaper, rightists in his own party revolted. Jörg Haider, 35, the organization's leader in southern Carinthia, said that no apology was

necessary since Mr. Reder was simply "a soldier who had done his duty."

"If you are going to speak about war crimes," he said, "you should admit such crimes were committed by all sides and not pick on a few German soldiers."

Carinthia is a traditionally right corner of Austria, and Mr. Haider has helped a successful political career there by campaigning against the rights of its Slovenian minority to have their children taught in their own language. His father joined the Hitler Youth in 1929 and the Brownshirts the following year.

In exploiting the Reder dispute, Mr. Haider was pursuing a longstanding vendetta against Norbert Steger, the Freedom Party's national leader, whom the Carinthian politician regards as too liberal.

When Mr. Haider briefly threatened to break off and start his own party, he was dressed down by the Freedom Party's national executive. He flippantly denied comparisons between the Freedom Party and the Nazis, saying that if the comparison were exact, the Freedom Party would have a majority following in Austria.

The struggle within the Freedom Party is not accidental or gratuitous. With the emergent Greens party revolting, Jörg Haider, 35, the organization's leader in southern Carinthia, said that no apology was

organization is under pressure to move to the far right, where a recent poll found a reservoir of perhaps 15 percent of the popular vote.

But the Reder furor has a deeper historical background. At the end of the war, about 660,000 former Austrian Nazi party members registered and were temporarily deprived of the right to vote.

In a small country, politicians found this a temptingly large pool, and the Socialist Party, bereft of most of the Jews who had been so important to it before the war, took in a considerable number of former Nazi professional people, giving them high posts in newly nationalized banks and industries.

Other former Nazis flooded into the Association of Independents, the forerunner of the Freedom Party, which in 1955 set out to establish itself as the country's "third force."

The country's half-hearted de-Nazification generated a clash between Austria's two most prominent Jews: Chancellor Bruno Kreisky and Simon Wiesenthal, the Vienna-based Nazi hunter.

In 1970, Mr. Wiesenthal denounced the chancellor for including four former Nazis in his cabinet. Five years later, Mr. Wiesenthal revealed that Friedrich Peter, the Freedom Party's floor leader, had been a lieutenant in the 1st SS

Infantry Brigade behind Russian lines in the occupied Ukraine.

This disclosure was extremely unsettling since Mr. Kreisky had cultivated the Freedom Party as the Socialist's eventual coalition partner.

The Socialist-Freedom coalition was finally formed under Fred Sinowatz, who succeeded Mr. Kreisky as chancellor in 1983. Mr. Peter, who quietly dropped a lawsuit against Mr. Wiesenthal, remains the Freedom Party's floor leader.

Mr. Wiesenthal, 76, said in an



Walter Reder



Friedhelm Frischenschlager

interview that there were only eight trials of Nazis during the Kreisky era — and six acquittals. He said the last trials were held in 1975.

"The acquittals include those who repaired the gas ovens at Auschwitz," he said.

Mr. Wiesenthal made an unfavorable comparison of Austria's de-Nazification with the same process in West Germany.

"In fact," Mr. Kreisky said, "certain excesses committed in France are acts of terror that would be impossible here. The reaction of the public would be tremendous."

He said the Reder affair "had nothing to do with anti-Semitism." Rather, he said, it involved an Austrian citizen who had "served his sentence" and who "should, then, be able to return home."

The Socialist-Freedom coalition

said there was no ground for a revival of Nazism in Austria because of the country's successful economic and social policies. He treated his defense minister's reception of Mr. Reder as an unhappy episode, "a big political mistake" and said that it was better to have former Nazis integrated into a parliamentary democracy than to have them agitating on its fringes.

Some Austrians, noting that a majority of the country was outraged by Mr. Frischenschlager's action, say that the affair may lead to a salutary public discussion about a half-buried past.

■ Kreisky on Anti-Semitism

Mr. Kreisky, responding to a question about Austrian anti-Semitism in an interview published in the Feb. 8 edition of *Le Nouvel Observateur*, a French magazine,

said: "There is no more anti-Semitism in Austria than there is in France."

"The Germans," he said, "understood that restitution through money and trials was the ticket back into the civilized world. Austria got a ticket for nothing."

He said the Reder affair "had nothing to do with anti-Semitism."

Rather, he said, it involved an Austrian citizen who had "served his sentence" and who "should, then, be able to return home."

WORLD BRIEFS

Mubarak Asks Paris to Back His Plan

PARIS (Reuters) — President Hosni Mubarak of Egypt said Friday that he had sought French help to persuade the United States to support his plan for new Middle East peace talks.

Mr. Mubarak, visiting Paris on his way to meet with President Ronald Reagan in Washington, said he had asked President François Mitterrand to support our diplomatic moves toward the United States," Egypt wants the United States to start talks with a Palestinian delegation that might lead to direct talks among Israel, Jordan and the Palestinians.

Mr. Mitterrand's adviser on foreign affairs, Hubert Vedrine, said later that France was planning contacts with the United States on the Mideast initiative. Mr. Vedrine declined to elaborate, but expressed reservations about the plan, saying it "simplifies the process and causes an acceleration which contains the risk of being harmful to peace moves."

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Asks Paris to Back Plan

President Haim Saban of Israel said he will persuade the United Nations to support his peace plan, and he had asked President Reagan to start talks with a Palestinian delegation.

A spokesman for Foreign Affairs Minister Hubert Vedrine declined to elaborate Saturday, saying it "dampened the possibility of direct talks among Israel, Jordan and the PLO."

In Iran, killing on wounded handbags reported.

The families of about 3,000 veterans who have died since the war and about 7,000 with total disabilities will benefit immediately. Other veterans can apply later if they develop disabilities before the program expires in 10 years.

The plan does not require proof that a death or disability was caused by exposure to Agent Orange. Judge Jack B. Weinstein, who worked on the settlement, concluded that there is a "near impossibility of proving scientifically which adverse health effects are compensable and which are not."

Brewing Goes Flat

In Milwaukee

Brew made Milwaukee famous but before long the only Brewers left in town may be the major league baseball club. The city, once home to dozens of breweries, is down to its last two, Miller and Pabst.

The state of Wisconsin,

blessed with water from the Great Lakes and an abundance

of nearby grain, once had 72

breweries but is down to seven.

Brewers, once concerned about

being near their raw materials,

now attach more importance to

being closer to their markets,

and this has made for coast-to-

coast distribution.

A Singularly Important Plural

John Hopkins inherited his great-grandmother's last name as his given name. Grown rich with banking and railroading, he bequeathed \$7 million in 1973 to establish The Johns Hopkins University and The Johns Hopkins Hospital in Baltimore.

Tired of people using the singular "John" in referring to the institutions, the public affairs office has printed 30,000 copies of a pamphlet called "All About John," to set the record straight.

Susan Hart, a spokeswoman, said the leaflets "will be mailed to whomever we hear or

want treated at a hospital or medical center of Hopkins' hospitals or clinics under a variation of 'John'."

Employees Criticize

Coca-Cola's Robert Woodruff Dies

New York Times Service

NEW YORK — Robert W. Woodruff, 95, whose direction of the Coca-Cola Co. grew from a regional soft-drink syrup firm in 1919 to a worldwide institution, died Thursday in Atlanta.

For almost half a century until his death in mid-1970s Robert W. Woodruff, a multimillionaire tycoon, became one of the public, division, popular cult he had created Coca-Cola.

Mr. Woodruff was 33 when he became president of Coca-Cola in 1923. It was then a company whose syrup was sold chiefly to bottlers and drugstores in the South.

He transformed the company into one of the most profitable in the United States. The drink spread around the world. The journalist William Allen White once described it as the "sublimated essence of all that America stands for."

The company's net income for 1984 was \$628.8 million on revenues of \$7.36 billion. The company began to diversify under Mr. Woodruff in the 1950s. But soft drinks in 1983 still accounted for 50 percent of company profits.

No matter what Mr. Woodruff's title — he was at one time or another president of the Coca-Cola Co., board chairman and chairman of the finance committee — he indisputably ran the company. Nevertheless, he seldom issued a direct order. He dominated the company

for decades.

Soviet Fills Intourist Post

The Associated Press

MOSCOW — Vladimir Y. Pavlov has been appointed head of the state tourism committee Intourist, it was said Thursday. The previous head of Intourist, Rytov A. Abramov, is replacing Mr. Pavlov as the Soviet Union's ambassador to Japan.

Mr. Pavlov, 57, has been

working in the Soviet Foreign Ministry since 1970.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Don't Blame Only Japan

Japan sells far more in America than it buys, and the long quarrel over the trade imbalance continues, with tempers rising. Americans have trouble selling in Japan for reasons that sometimes are as simple as quotas and tariffs; but much more commonly the resistance is deeper — an ingrained Japanese attitude that it is not quite right to buy foreign goods. A few American companies have managed to overcome that nativist resistance and establish themselves in the Japanese landscape, but not very many. Should the Japanese buy more American products? Yes, certainly — for the sake of their own standard of living. Their government has a responsibility to lead them more forcefully toward open trade.

But there is more to the subject than that. Beneath all the Americanization of Japan — and it is real — is a bit of guilty uneasiness. In matters of money and economics, the Japanese are behaving in the way Americans keep saying they themselves should be behaving. The Japanese save heavily, as Americans know they should but do not. The Japanese invest heavily, as Americans also know they should. The Japanese export their surplus savings abroad, as Americans used to do before the administration changed the rules and turned the United States into the world's biggest borrower. Most Americans know perfectly well that they should not live so heavily on credit.

— THE WASHINGTON POST.

Charms of Protectionism

President Reagan's decision to let lapse the import quota on Japanese cars is completely welcome. By any reasonable calculation, the cost of the restraints has outweighed the value of the jobs saved. Yet the decision produces its own irony. The problem now may be to persuade Japan to expand its exports. For now that Japanese automakers and bureaucrats have experienced the comfort of an American-sanctioned cartel, they are not eager to return to the chilly world of competition.

Four years ago the Reagan administration made Japan an offer it could not refuse: Limit auto exports voluntarily to about a fifth of the American market or face much tougher restrictions imposed by Congress. Now, happily, that pressure is off. American automakers earned record profits last year. Senior managers helped themselves to multimillion-dollar bonuses. And while employment remains far below the peak of the mid-1970s, the auto-workers' union has consistently refused to bargain away high wages for job security.

The Reagan administration, meanwhile, has become convinced that the cost of auto protectionism has been too high. According to a study by the U.S. International Trade Commission, an independent agency that holds no special brief for free trade, the quota has saved 44,000 jobs. But the cost in higher auto prices has been about \$90,000 a year per job. A study by the Federal Trade Commission puts the figure at a yet more amazing \$240,000.

In return for an end to the auto restraints, the administration is pressing Japan to open its markets for telecommunications equipment

does not help their relations with Japan to be reminded that the Japanese are currently the world's great example of the Puritan ethic.

Japanese send their savings in very large amounts to America, where they help finance the Reagan administration's budget deficits. As the money moves from one side of the Pacific to the other, from yen to dollars, it pushes the exchange rate of the yen down and the dollar up. Because of those enormous financial flows, the dollar's rate against the yen is about 30 percent higher than its worth in American goods. So for the Japanese exporter every sale for dollars brings a 30-percent rebate, and for Americans trying to sell in Japan, the exchange rate is like a 30-percent tax. Is it surprising that most of the trade is eastbound?

Even with this huge disadvantage, American exporters manage to sell quite a lot in Japan — some \$22 billion worth last year, more than to any other country but Canada. It is unlikely that sales will stay that high, let alone rise, if the exchange rate stays at the present level.

Up to a point, it is not unfair to chide Japan for its fair open market. But Americans might usefully keep in mind that the greatest barrier to a better trade balance is not in Japan but in America, where a reckless economic policy and excessive borrowing are putting an impossible burden on export industries.

— THE WASHINGTON POST.

Mubarak Builds on a 'Good Beginning'

By Philip Geyelin

WASHINGTON — President Hosni Mubarak of Egypt files into Washington from Paris this weekend. Those who seem to like things the way they are in the Middle East — mostly hard-line Israelis and their American camp followers — are casting a jaundiced eye.

Mr. Mubarak is no Anwar Sadat, those critics say, perhaps forgetting that the Sadat policies that made him a folk hero on Western television were his undoing at home. Mr. Mubarak's effort to promote a revival of the Middle East peace process is self-serving, the critics also say; he wants only to reassess Arab leadership and win a good opinion of Egypt as peacemaker.

A similarly suspicious eye, the cynics say, should be cast upon the recent efforts of King Hussein of Jordan to organize some kind of Palestinian representation for new negotiations for an Arab-Israeli settlement.

The bottom line of these put-downs is that the Arab states are deeply divided between obstructionists (Syria being the worst of the lot) and moderates (Egypt, Jordan and Saudi Arabia among others). The latter are too weak to get their act together; deep down they allegedly do not care what happens to the 1.4 million Palestinians on the West Bank and in Gaza.

There is a lot of truth in all of this. The Middle East is one big economic crisis. Even the "oil-rich" Gulf states are suffering from an oil glut. Moslem fundamentalism is not limited in its extremism to the Shiite terrorism against the Israelis in Lebanon or to the messianic designs of Iran's Ayatollah Ruhollah Khomeini. It prevails on poverty, on the Palestinian issue, on Jordan's separate peace treaty with Israel, on Jordan's peace gestures — on any issue that serves the purpose of overthrowing moderate regimes.

So, yes, the so-called moderates do want more economic and/or arms aid from the United States. It has not escaped their notice that Israel is bidding for by far the largest slice of the new \$14-billion total U.S. foreign aid bill — perhaps as much as \$3.8 billion. But the point is that absolutely none of this is inconsistent with what

psychiatrists would call a "cry for help." That it may be self-serving makes it no less genuine or deserved of a serious and sustained response.

To say that nothing in the way of progress has so far materialized is to forget the extraordinary record of Jimmy Carter's efforts in the first year of his presidency to work both sides of the Arab-Israeli dispute. Brushing off the negative responses, he tested the alternatives and, by a process of elimination, helped promote the breakthrough of the Sadat visit to Jerusalem that led ultimately to Camp David. It is to forget, too,

adviser to Prime Minister Shimon Peres, who was in America on television by satellite recently.

A questioner wanted to know if King Hussein and Mr. Mubarak were merely making "gestures of progress ... so they can come and make a raid on the American Treasury." Leaving aside the fact that King Hussein has pretty much given up on the U.S. Treasury, Mr. Weizman went out of his way to say that "knowing President Mubarak personally, I think that his initiative is far more fundamental than some people would like to show; I think that he sticks to the Camp David [accords] ... What has happened in the last week or two is a good beginning."

That is not the way high-ranking Israeli officials were talking in early 1977. In fact, Israel changed prime ministers, from Labor's Yitzhak Rabin to the Likud's Menachem Begin, in the course of Mr. Carter's peace efforts, and it is a close question which man Mr. Carter found the more difficult to deal with.

The Camp David accords are in place as a point of departure. The national coalition government under Labor Prime Minister Peres has accepted Mr. Mubarak's offer to meet with the Egyptians, Jordan and whatever Palestinian representation we worked out.

Mr. Mubarak has his own incentive for early action. As the only Arab leader at peace with Israel, he is vulnerable to extremist forces. His influence will wane and his domestic problems grow if he has nothing to show for his latest initiative, the more so since power will shift next year from Mr. Peres to Likud's Yitzhak Shamir as prime minister in the "unity" government.

Mr. Mubarak will be asking President Reagan for a headlong plunge but for probes of both sides, first with some sort of Egyptian, Jordanian and Palestinian delegation and then with the Israelis, before any serious mediation is begun.

Taking it step by step has its risks. But the history of four wars tells us that the risks are as nothing compared to the risk of inattention to Middle East "cries for help."

Washington Post Writers Group.

An Election Can't Erase The Issues

By Flora Lewis

PARIS — The American presidential election is indeed over. But instead of calming the atmosphere to pay attention to substance, the aftermath seems to be drawing the ideological line ever tighter.

I have run into a number of cases lately. The following letter from Evan G. Galbraith, the U.S. ambassador to France, is a prime example. It is his answer to a column (*IHT*, Feb. 16) that criticized his performance as a diplomat and his attack on the Foreign Service for lacking "guts." Mr. Galbraith had said that the State Department "has too big a role to play in foreign policy," suggesting that political ambassadors do better.

He wrote:

"Dear Flora,
"Ah, come on. Don't be such a sore loser. It's all over. You and the other liberal spokesmen are no longer the mainstream. In other words, you have had it. I know you don't like Ronald Reagan, low taxes, spending cuts, large defense budgets, reduced government, being friendly to Communists, and defending ourselves against Soviet missiles; and it's no surprise you don't approve of me. But the American people have rejected liberalism and liberal leaders, and I you put up another one in 1988, he too, will be wiped out. I kind of think it will take another massive defeat in 1988 before you see the light, but when you do, just remember: We will always have room for another repentant sinner, especially one who can write. There will still be lots to do."

"Festively yours,
"Signed Van"

"P.S. Your ethics are showing a bit. Putting quotes around things I did not say is just not done. You might put that, too, on your list of things to repeat."

The postscript presumably refers to two quotes in the column that the ambassador ordered the embassy press attaché to ask me about. One was a remark he made on French radio. The other was an answer he gave me when I had asked him a question. Apparently, to use his term, he prefers forgetting to repeating.

The flip side barely veils a remarkable attitude to political debate and to the American process. Mr. Galbraith seems to be arguing that the reelection of President Reagan settled the issues and there is nothing more to discuss about American policy.

Worse, he presumes that by passing on the label of liberal, he can deduce people's approach to all kinds of complex issues. The content of the grab bag matters less than a famous test of pink and blue. Polarizing the debate on technical and difficult matters of foreign policy and defense in this way leaves no room for analysis, although that should be part of an ambassador's job. A view of disagreement as sinful is not a helpful way to promote U.S. interests abroad.

But Mr. Galbraith has said that diplomacy should consist of "really pushing the president's policies" in public. That is where he claims professional diplomats are short on guts.

He complained that his remarks, which brought him a public rebuke from Secretary of State George Shultz, was taken out of context to imply a lack of physical courage.

What he meant, he said, referred to what former Undersecretary of State Lawrence Eagleburger described as a tendency to repress imagination in the Foreign Service. Mr. Galbraith enlisted columnist William F. Buckley Jr., his mentor, to write an article in his defense (*IHT*, Feb. 23) citing Mr. Eagleburger on the virtue of taking back and ruffling feathers.

There is something perverse in taking cover behind Mr. Eagleburger on this. He offered his reflections in an interview with the Foreign Service Journal when he had resigned after a distinguished 27-year career. He said explicitly that by "guts" in the Foreign Service he meant "the willingness to tell your bosses that you think they're wrong — and why . . ."

The point was to encourage career officers to contradict their superiors if they had a good case, and then to accept the official decision. That is quite different from Mr. Galbraith taking off his stuff for not echoing that ambassador's views abroad with sufficient verve and resonance.

Having failed to obtain a senior post in Washington, Mr. Galbraith has announced plans to return to private life and political activity this summer. So his undiplomatic conduct will not matter much longer. But it does matter that the official discourse on foreign policy be rescued from an ideological shouting match. The United States has too much at stake to reduce the issues to labels.

LETTER

The American Ideology

After reading John Vincent's report "Galbraith Denies U.S. Career Diplomacy is Timid" (*IHT*, Feb. 14), I was reminded of a note I had written to myself on U.S. election night. I have found it, and it reads:

"As I watch the U.S. election coverage on French television, it confirms my recurring sentiment that so many of our Foreign Service people are too 'Europeanized.' Required to function peacefully in a foreign environment and being strongly influenced by European thinking, they become extremely compromising. It is normal that they be sensitive to European views. However, being professionals and service people, they have a duty to represent and reinforce the American ideology under the existing regime."

As eyes are on the United States for guidance, it is of utmost importance that its representatives support and reinforce U.S. ideology, whether it suits their personal views or not.

S. TREFFINGER
Monte Carlo.

Union Skippers Tack Into a Middle-Class Future

By David S. Broder

only for workers and employers but for anyone interested in the politics.

For Americans my age, at least, it is impossible to imagine a strong current of liberal politics without a strong labor movement. As unions have declined in membership and political clout, so has the Democratic Party. If you believe labor is doomed to inevitable decline as the American economy shifts from heavily unionized manufacturing industries into the much less unionized service and communications and high-tech jobs, then you almost have to conclude that liberal politics and the Democratic Party are on a downward path.

The immigrants might choose to stay, and the children and grandchildren of those spared huddled masses are probably materially richer than their ancestors' decision to remain in America, not to mention the dynamism they gave that country. Or the displaced might not

choose to stay and they might face political reprisals for returning home. But Sicily is still Sicily and Poland is still Poland. It is even a reason to expect that someday the millions who have fled Cambodia's sad and tortuous system will be able to return in peace.

Not so with Palestinians. A conscious, systematic effort is not just to ease us off our lands; it is trying to erase our identity and our country's identity from human memory.

The land is officially called Judea and Samaria by the occupying Israelis. Even the words "Palestine" and "Palestinian" do not exist in Israeli school textbooks.

Palestinian traditions have been repudiated. Falafel, a popular Palestinian dish, is now presented to the world as an Israeli delicacy. Palestinian embroidered dresses are worn by El Al hostesses as symbols of Israeli craft. It is just so much Dead Sea salt in festering sores.

The first wave of refugees left Palestine during the 1948 war. Another exodus, also driven by fear, followed the 1967 war. Almost three million of the total Palestinian population of four million are now refugees or exiles. When hostilities died down after both wars, the refugees were kept from returning. Even the annual United Nations call for their repatriation goes unheeded.

When the fear and panic that prevailed in Palestine in 1948 sent them running east, their main concern in their new abodes was to find ways to return to their land. That was not to be, and even their humble new home in Jenicho had to be abandoned during the 1967 war.

It was from Jenicho that I came to Europe in 1964 as a student. When the war erupted in June 1967, Jenicho fell under occupation and my

family again had to flee. As soon as the war was stopped I made every effort to secure my right to return to Jenicho, which had been my family's refuge of nearly 20 years, or to Beil Nafti, our personal homeland.

In the process I corresponded for several months with the Israeli Embassy in London and through them with the immigration authorities in Jerusalem. When that failed, I wrote about our case in *The Times* of London in February 1972. Two years later an eminent Jewish professor of jurisprudence at Oxford University took the matter up with Samuel Toledo, then Prime Minister Golda Meir's adviser on Arab affairs.

My father's most cherished wish before he died in 1982 was to be buried in Beil Nafti where he was born and our ancestors are buried.

Before 1947, shifts in power in Palestine had little bearing on my family. When the Ottoman empire crumbled and Palestine slipped under British rule after World War I, my family switched to paying their land leviée to the British authorities. Ottoman land deeds and British tax receipts now decorate the walls of my study. They are still documents proving our ownership of a land that we neither sold nor wish to sell.

Mr. Tarbush, an investment banker and writer on Arab affairs, contributed this to the International Herald Tribune

magazine, the sweep of American history, to say nothing of common sense, dictates that economic changes, no matter how disruptive to individuals and communities, should be accepted and welcomed as the real engines of opportunity and progress.

The union movement has been seen by many, including some of its allies in the Democratic Party and liberal politics, as fighting a rear-guard action against economic and social change — as being more worried about protecting past gains than helping its people prepare for the future. But the AFL-CIO report is a declaration by labor's leaders that they are ready to tackle that future. It is a remarkable document.

Starting with a blunt statement on

the first page that "unions find themselves behind the pace of change," it documents the growing gap between the perceived positions of union leaders and the desires of the rapidly changing work force. It says that people "are less likely to see work as a straight economic transaction providing a means of survival and more likely to see it as a means of self-expression and self-development."

Candidly citing survey findings that most non-union workers believe that union leaders force members to accept decisions they do not like, and that unions stifle individual initiative, fight change and increase the risk of companies going out of business, the report says:

"The labor movement must demonstrate that union representation is the best available means for working people to express their individuality on the job and their desire to control their own working lives, and that unions are democratic institutions controlled by their members . . .

"We have not been sufficiently successful on either score."

There are several dozen specific recommendations for experiments in organizing and representation techniques that unions have begun to discuss or put into place. The report is optimistic about the ability of unions to adapt. The reasons may surprise you as much as they did me.

The most important is that unions are middle-class institutions and are still a ticket to enter the middle class.

Union workers earn a third more than non-union counterparts. They are growing fastest in the work force, especially the better-educated.

Only 26 percent of union members (compared to 28 percent of the general population) lack a high school diploma. Some 21 percent (compared to 16 percent) have college degrees. If the future of work is in white-collar jobs, unions are well positioned. They already represent more white-collar than blue-collar workers.

As Thomas R. Donahue, AFL-CIO secretary-treasurer and head of the committee that prepared the report, pointed out in an interview, how successful the unions will be in organizing the new work force depends critically on the labor laws. Canada and the United States have similar economies but very different labor laws. In Canada, where the law favors organizing, the percentage of the labor force in unions has grown from 30 to 40 in the last 20 years; in the United States it has gone the other way. That is one reason why the unions will stay in politics.

The Washington Post

to have some ability to learn and a willingness to work hard, now literacy and study skills are necessary, perhaps some further schooling as well. Maintenance will never again be a field for the unskilled. And, as in every other technical field, the best-prepared get preference.

What is to happen to the untrained and unemployed and increasingly angry prospective "maintenance" workers? Of course, they need to be taught the basic skills: reading, writing and calculating. And they need to be taught some technical skills that will let them get started in the job market. Those have been the areas of many job training programs in America.

But, more than mere skill training, these people need to learn that their weakness must be recognized even while their strengths are brought to optimum. Most particularly, they need to learn that every action, even every decision not to act, has its consequence. Those consequences are inevitable. They must be planned for.

Finally, and not so obviously, appearance and ability (even lack thereof) count for more than "I need a job."

ARTS / LEISURE

Johanna Ey, Düsseldorf's 'Mother Courage of Modernism'By David Galloway
International Herald Tribune

DUSSELDORF — Poets hymned her corpulent charms, while painters delighted in portraying her as a Spanish dancer or an aging odalisque. In the turbulent years following the Treaty of Versailles she became the Mother Courage of Modernism — muse and patron for a new generation of artist-survivors who believed in a rebirth of talent and freedom out of the ruins of war.

Unlike Gertrude Stein, who provided a similar focus for the Parisian avant-garde, Johanna Ey seemed triumphant ill-equipped for her pioneering task. At the age of 46 she was living in a country village on the lower Rhine with an alcoholic husband and four small children. Eight other children had died in infancy. Her husband, a brewer, beat her regularly, like her drunken father before him.

The battered wife made her bid for freedom in 1910, when she opened a bakery in Düsseldorf's old town. Local merchants wagered she would not survive a month with her peasant-style cakes, sandwiches, pickled herring and sausages. Polite housewives scandalized that the plump proprietress did her own serving, gave the shop a wide berth.

That left the path open to the nearby art academy. Quick to sniff out edible bargains, students and their professors became regular clients. Frau Ey added hearty lunches and suppers to her repertoire,

served her favorites generous braces of schnapps, and was known to give credit. Her guests

often lingered for hours, debating the strident "isms" of the day, while "Mutter Ey" sat nearby, knitting.

Wee. Wee I brought an abrupt end to the discussion. Her bohemian customers went off to fight, and Mutter by struggle to support her own children by sewing uniforms. Then in desperation, she sought out the pictures left behind by artists to balance their accounts. Surprised by the ease with which the first were sold, she prudently raised prices on the remaining stock.

The end of the war found the baker-gallerist installed in spacious new quarters, where she regularly showed the traditional "School of Düsseldorf." Then the young Turks came marching home, scarred by their initiation but full of faith in a new democratic era. Calling themselves "The Young Rhineland," they issued a call to artists who sought a reform of the "antiquated stereotypes of painting and sculpture."

Such vague utopianism allowed for the widest range of styles, as their first exhibition in 1919 made curiously apparent through the contributions of 113 artists. But the seeming inconsistency was a measure of the creative ferment that marked the Weimar Republic. The Düsseldorf Kunsthalle has now documented that era in an exhibition entitled "In the Beginning: The Young Rhineland."

In the same year, 1921, she arranged the first German exhibition for Max Ernst. Unfazed by the show's hostile reception, she stuck to her unadorned faith that "the pictures are good!" When Ernst and his friend Paul Eluard spoke about an Asian journey, the gallerist

took out a bank loan to finance their trip. Ernst signed over all his existing work, but she could sell only a single picture and gave the rest away to friends. "They must be seen," she insisted.

Her faith was the more remarkable in light of diary entries that reveal how disturbed she was by her protégé's surrealistic visions. They awakened tormented memories of a battered childhood and marriage, and of her periods of lapses into alcoholic oblivion. Her formula for adjusting to a difficult new work was always the same: she hung it over her bed and then often slept on the sofa until she felt ready to confront the experience. Once she could settle down to sleep beneath the disturbing image, she had mastered it.

As Germany's most resolutely patriotic gallerist, Frau Ey prospered — but she still carried the

leather change purse of her coffee shop past pinned beneath her skirts. An honorary citizen of Düsseldorf and a conspicuous living legend, at age 68 she even became the star attraction of a vaudeville review. While the orchestra blared "The March of the Gladiators," seven artists accompanied their model from her box at the Apollo Theater. To thundering applause she reclined at stage center and was painted by her loyal followers.

Not surprisingly, the apple-cheeked image of Johanna Ey appears at regular intervals in the Kunsthalle's reprise of "The Young Rhineland." Laughing, dancing, dreaming, cooking, sewing, and undress, she seems, perhaps, an unlikely symbol of artistic revolution. But her life combined the naivete and hope and suffering and zest, the blighted past and the faith

in a limitless future, that marked, as well, the younger generation in which she believed.

She also shared their fate. Returning from Mallorca in 1933, she found obscenities smeared across her shop window. Nazi officials confiscated her stock and evicted her from the building that had been consigned to her "in perpetuity" three years before. She survived a second world war but did not live to sample Konrad Adenauer's *Wirtschaftswunder*. The final request she made of her adopted city was read at her graveside in 1947: She hoped a street in Düsseldorf's old town might someday carry her name.

It runs behind the Kunsthalle, where her "boys" and their achievements are being honored.

"*Am Anfang: Das junge Rheinland*," Düsseldorf Kunsthalle, through April 8.

Show of Matisse Drawings Illustrates The Master Draftsman's Other SideBy John I.
New York Times

NEW YORK — That Henri Matisse

is known to anyone who patrols the auction of well-known dealers' galleries. Rarely have drawings been so instantly approachable than the kind of Matisse.

These drawings have, as he wished them to have, the lightness and joyousness of a springtime that never lets anyone suspect how much hard work has gone into it. The pretty young women, dressed or undressed, the Mediterranean fruit fresh from the tree, the flowers we never get to buy in the stores — all these were rendered by Matisse with a sovereign dexterity that makes them among the most immediately covetable of European drawings.

There is, therefore, no doubt that "The Drawings of Henri Matisse," now at the Museum of Modern Art, will attract a large public. But the Matisse in this anthology of 152 drawings is not the Matisse most often seen in the market. He is a tollsime Matisse, a rambling Matisse, a monumental Matisse, and one who made mistakes and began over again. Nor are the drawings — with one or two exceptions — the byproduct of a sunny afternoon beside a southern sea when the model had nothing much else to do and agreed to stay on. They speak, on the contrary, for drawing as one of the most demanding human activities.

The drawings were chosen by the English art historian John Golding and catalogued by John Heldfield, director of the department of drawings at the Museum of Modern Art, and his assistant curator, Magdalene Dabrowski. The exhibition, in collaboration with the Arts Council of Britain, addresses the many-sided giant who excelled as much in sculpture as in painting, as much in printmaking as in drawing, as much in mural decoration as in the illustrated book. The choice in general is toward the big (sometimes very big), the difficult and the austere.

The drawings of their kind would be hard to find than "Bowl of Grapes" (1915), "Head of Antoinette" (1919), "Reclining Nude Seen From the Back" (1938), the trenchant "Portrait: Dancer (The Buddha)" (1939) and the synoptic "Model in the Studio" (1948). In every one Matisse was pushing himself a little farther, and in quite a different way, than he had before.

It was a good idea to include portraits of some of the people — among them the Russian collector Sergei Shchukin; Sarah Stein, the sister-in-law of Gertrude Stein; and Dr. Claribel Cone from Baltimore — who were important to Matisse as foreign patrons and

friends. But Golding has also made sure that we remember that Matisse lives in history not as a lord of cultivated living but as a maker of masterpieces.

We get glimpses here and there of the Modern's "Dance," the "Bonheur de Vivre" in the Barnes Collection, the Philadelphia portrait of Yvonne Landsberg, the "Still Life After de Heem" in the Modern.

The Baltimore "Pink Nude," the "Seated Figure on a Domestic Ground" at the Pompidou Center in Paris, the murals for the Matisse Chapel in St. Paul.

Some of the female back.

The echoes here of these works take the form of groups. The drawings, sometimes they come in pairs, as in "Yvonne Landsberg" (for instance, five drawings of Brazilian whom Matisse strongly characterized young even after she had), was reluctant to stop drawing.

And in the four studies after Jacqueline Monnier, the Baltimore "Pink Nude," the "Seated Figure on a Domestic Ground" at the Pompidou Center in Paris, the murals for the Matisse Chapel in St. Paul.

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NYSE Most Actives						
Vol.	High	Low	Last	Chg.	Close	Prev. Day Chg.
Philip Morris	34,545	104.25	103.75	-1.25	103.75	+1.25
FMC Corp.	37,718	104.25	103.75	-1.25	103.75	+1.25
AMR Corp.	18,125	104.25	103.75	-1.25	103.75	+1.25
AT&T	17,771	104.25	103.75	-1.25	103.75	+1.25
Poage	12,214	104.25	103.75	-1.25	103.75	+1.25
USX	11,165	104.25	103.75	-1.25	103.75	+1.25
Chase	10,750	104.25	103.75	-1.25	103.75	+1.25
Kemper	8,531	104.25	103.75	-1.25	103.75	+1.25
Toray	8,713	104.25	103.75	-1.25	103.75	+1.25
Revlon	8,670	104.25	103.75	-1.25	103.75	+1.25
Exxon	8,570	104.25	103.75	-1.25	103.75	+1.25

NYSE Most Actives						
Vol.	High	Low	Last	Chg.	Close	Prev. Day Chg.
Advanced Micro Devices	2,750	104.25	103.75	-1.25	103.75	+1.25
Advanced Data Systems	2,250	104.25	103.75	-1.25	103.75	+1.25
Advanced Technology Materials	1,950	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,850	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,750	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,650	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,550	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,450	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,350	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,250	104.25	103.75	-1.25	103.75	+1.25
Advanced Micro Devices	1,150	104.25	103.75	-1.25	103.75	+1.25
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Advanced Micro Devices	950	104.25	103.75	-1.25	103.75	+1.25
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IVORY COAST

A SPECIAL REPORT

SATURDAY-SUNDAY, MARCH 9-10, 1985

Page 7

Succession Question
Dominates Politics
in an Election Year

ABIDJAN — With national elections scheduled for sometime this year, Ivory Coast is gearing up for what promises to be a year of change. In 1980, Félix Houphouët-Boigny was re-elected president for a fourth time, with 99.99 percent of the vote. Following his victory he promised that he would run for election in 1985 along with a vice presidential candidate who would, by virtue of his election, become the president's constitutional successor.

Before the 1980 elections, the National Assembly president, Philibert Yace, had long enjoyed the role of No. 2 political leader. Then the president sidelined Mr. Yace amid rumors of bitter political fighting in his entourage, and arranged modification of the country's constitution, stipulating that an as-yet-unidentified vice president should assume power in the president's absence.

Mr. Houphouët-Boigny further consolidated his hold on national politics by taking over from Mr. Yace the leadership of the country's sole political party, the Democratic Party of Ivory Coast, or PDCI.

For the last five years Ivory Coast has been in what many have described as a political vacuum, with the 79-year-old president refusing to name his successor before 1985 elections, political observers can only speculate. As the elections draw nearer there have been mounting signs of political tension. Senior members of the PDCI regularly vie for prominence in the state-owned national press in seemingly attempts to outdo one another, aiming the "Father of the Nation" title attempting to strengthen their own political followings.

Meanwhile, the president has carefully avoided giving any hint of naming any of the handful of ministers who are viewed as serious presidential candidates. Conventional wisdom would support the selection of one of the government's five senior ministers. Known as ministers of state, they have no specific portfolios. They are said to have had supervisory powers over the affairs of the government.

Of these five men, Mathieu Ekra, miller Alliali and Maurice Sereko are most frequently mentioned in Abidjan's lively political mill (the other two are Auste Denise and Emile Kéï guérard). But some observers tend to think the president will select one of the younger ministers, who would not run the risk of being seen as a transition figure. Given Mr. Houphouët-Boigny's reputation for confounding political analysts, he could conceivably choose a dark horse from outside the government.

With an important party congress and national council meetings pended in coming weeks, recent speculation has been that the president, despite his age and frail health, will refuse to name a successor publicly; it is said that a chief in the president's Baoulé circle would not run the risk of being seen as a transition figure. Given

Mr. Houphouët-Boigny's reputation for confounding political analysts, he could conceivably choose a dark horse from outside the government.

(Continued on Next Page)

Government Policy on Immigrants Increases
Ethnic Diversity as Well as Social Tensions

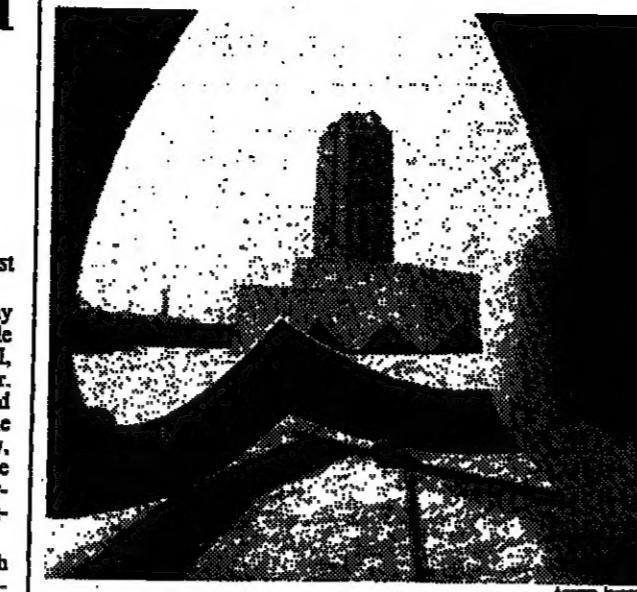
ABIDJAN — Like almost all African countries, Ivory Coast inherited arbitrary boundaries that throw together a large number of disparate ethnic groups.

As many as 60 distinct ethnic groups co-exist in this country of nine million, and sorting out the Ivorian tribal puzzle is rendered more complicated by the fact that all of the major groups originated in neighboring countries. The historical migrations that have gradually peopled this once sparsely populated country have been greatly stepped up, as groups from the entire region have taken advantage of modern transport to partake in the relative wealth of Ivory Coast.

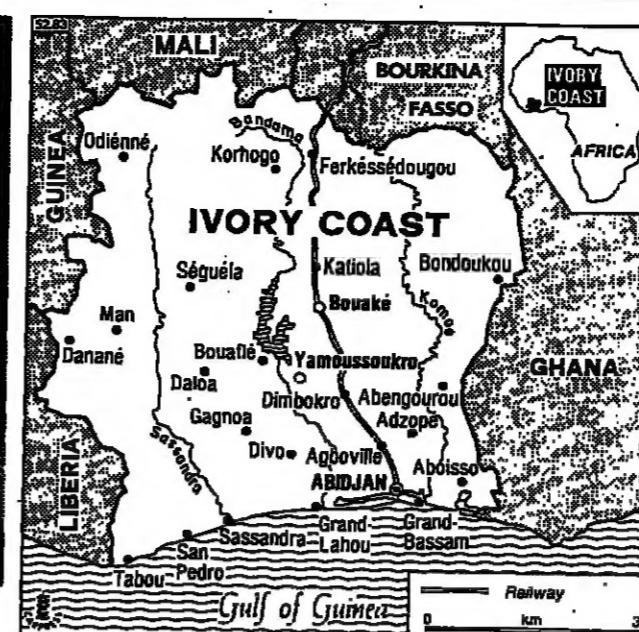
Among the most important elements in the long political career of President Félix Houphouët-Boigny have been his handling of intertribal relations and his "open door" policy toward foreigners. Mr. Houphouët-Boigny is largely responsible for the presence of an estimated two million recent immigrants from Burkina Faso, formerly Upper Volta, and Mali, Guinea and Ghana.

In 1932 Ivory Coast's dependence on foreign labor was made more concrete when France fused onto the colony part of the neighboring northern territory of Upper Volta, so that northerners could more easily be brought in for forced labor on the vast plantations of the south.

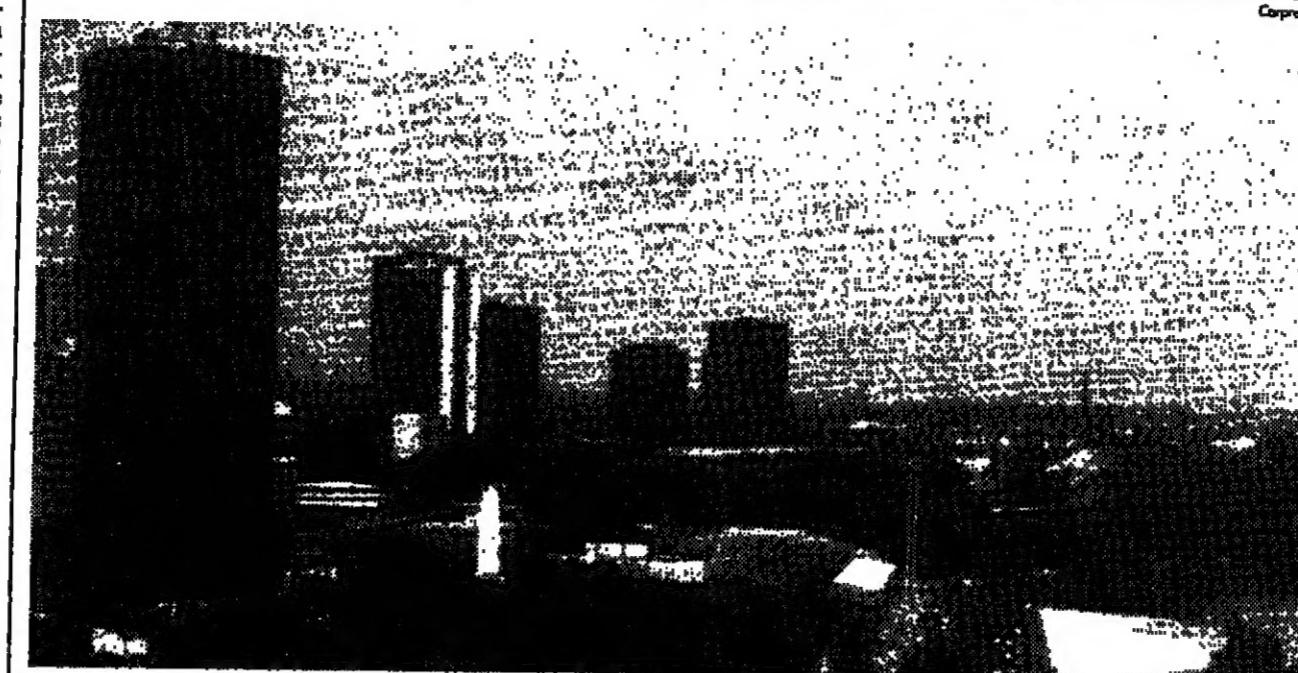
As head of an association of African planters, the Syndicat Agricole Africain, Mr. Houphouët-Boigny began efforts to recruit mi-



Sculpture on an Abidjan esplanade.



Map of Ivory Coast showing its neighbors and major cities.



High-rise buildings in Abidjan's central district.

Offshore Natural Gas Reserves Offer
Hope for Next Decade's Energy Supplies

By Howard Schissel

PARIS — Having virtually achieved self-sufficiency in crude oil production, Ivory Coast is now seeking to tap offshore natural gas reserves in a drive to assure its energy supplies into the 1990s.

Severe drought last year resulted in the temporary closure of most of the country's hydroelectric plants,

as well as power cuts, rationing and a general slowdown in the pace of economic activities.

This led to a reappraisal of Ivory Coast's energy strategy and a call for diversification away from almost exclusive dependence on hydrogenated power, which accounts for about 90 percent of the country's capacity for electricity production.

Plans for a \$600-million hydroelectric station at Soubre, in the west-central part of the country, were postponed and could be permanently shelved if an agreement can be worked out to use nonassociated natural gas for electricity generation.

In the search for crude oil, the U.S. company Phillips Petroleum uncovered important gas resources with its three offshore exploration permits. The principal discovery, the Foxrot field, off the town of

Jacqueville, has estimated reserves of 90 billion cubic meters (3.1 trillion cubic feet).

Ivory Coast's total gas potential has been estimated at 150 billion cubic meters. Talk of building an export-oriented liquefied natural gas plant was abandoned after difficulties were encountered by Nigeria and Cameroon in getting LNG projects off the drawing boards.

Instead, attention was focused on domestic outlets for gas. As things stand, demand for gas — about 600 million cubic meters a year — is judged insufficient to warrant such an expensive gas development program.

In an effort to substantially boost Ivory Coast's gas consumption, economic planners in Abidjan want to build a 300-megawatt gas-fired power station at Jacqueville. An ammonia plant using gas as a raw material has also been envisaged.

A major hitch is the price to be paid by Ivorian authorities for the gas. Phillips has made it clear that the price must provide an incentive to offset the high investment outlay needed. The Ivorians are seeking a low price so that the cost of gas-generated electric power could be competitive with other sources of

energy. Although exact figures are hard to obtain, it has been reported that Phillips is asking about five times as much as the government wants to pay.

Amid the difficult negotiations between Phillips and the government, the International Financial Corp., a World Bank affiliate, has been approached to provide financial assistance for the gas development program. The IFC has adopted a cautious approach, stressing that project assessment is still preliminary and that it is too early to make a financial decision.

Ivorian officials are pushing for a decision by early 1985. In the tug-of-war with Phillips they have an ace up their sleeve: The exploration permit covering the gas resources expires in mid-1985, putting pressure on the U.S. company to come to an acceptable compromise.

Hopes for a rapid rise in offshore oil production, initiated during the summer of 1980 when Esso brought on stream its Bélier field, have been abandoned. Nonetheless, Ivory Coast was practically covering its domestic consumption requirements of 1.5 million tons a year by the end of 1984.

Esso, operator in association with Royal/Dutch Shell and the

Ivorian state oil company, Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire, or Petroci, invested \$35 million in a gas-injection project on its small field, which is producing at the rate of 350,000 tons a year. Drilling around the Bélier structure has failed to yield additional reserves.

Esso has abandoned two of its three exploration permits. An exploration drilling campaign is scheduled next year on its remaining block, close to the maritime frontier with Ghana.

It was Phillips' discovery of the appropriately named Espoir ("hope") field that touched off rumors that Ivory Coast would become the hottest new exploration prospect in West and Central Africa and perhaps even had the potential of being a second Nigeria.

This optimism was short-lived, as the technical difficulties of the fragmented Espoir field, coupled with the high cost and problems associated with working in relatively deep water, came to light.

Phillips — operator on three permits in association with Italy's Agip, Sedco of the United States and Petroci — has recently completed its sixth production well on

(Continued on Next Page)

Despite Debt,
Progress Solid
In Development

By Howard French

ABIDJAN — Ivory Coast has gained a brief breathing space on foreign debt, having recently rescheduled more than \$1 billion due to be paid in 1984 and 1985. The country's separate negotiations with the Paris and London clubs, which include Ivory Coast's public and private creditors, respectively, have attracted increased scrutiny, at home and abroad, of the defects in the economic model that led to a debt burden of more than \$7 billion for an underdeveloped country of nine million inhabitants.

Any objective analysis of Ivory Coast's debt problems should begin with a review of what has gone right in the country. One Western banker said: "I am continually amazed by the achievements here. With nothing but cash-crop agriculture and a hint of oil, this country has developed an infrastructure that can, in some respects, be compared to developed countries." In addition to its air, road and telecommunications networks, unparalleled in black Africa, major gains have been made in education, housing and, to a lesser degree, health.

Despite its reputation as a bastion of free-market capitalism, Ivory Coast's indigenous private sector has not been a major factor in the country's development. As an economist familiar with the country put it, "The state has been the basic instrument of capital accumulation and investment." The government has historically used its virtual monopoly of the export economy — which now consists primarily of cash crops — to finance the country's development.

Cash crops have always been the mainstay of the Ivorian economy; the country is among the world's largest cocoa and coffee producers. Under the stewardship of President Félix Houphouët-Boigny, Ivory Coast's steadily growing agricultural exports fueled a tenfold rise in the gross domestic product between 1960 and 1977. This record far outstripped achievements in neighboring states and attracted a steady influx of people in search of work from throughout the region.

In 1977, when cocoa prices peaked, the government began a broad array of development projects aimed at cashing in on the strong commodities market. Given the country's economic record, commercial banks were perhaps overly eager to grant financing.

Contributing to the general euphoria was the president's announcement in October 1977 that Ivory Coast had sizable oil reserves and would soon become an exporter.

Between 1976 and 1978 Ivory Coast's investment budget quadrupled. During those heady days of the Ivorian "miracle," modern office buildings sprang up at a dizzying pace, filling in the already impressive skyline of Abidjan.

Though the newfound prosperity touched most of the population, particularly through increased government investments in infrastructure, education and public services, the boom's effects were strongest in the capital.

Then cocoa and other commodity prices fell sharply. Oil production, furthermore, never ap-

peared to reach the levels hoped for. By the end of the 1970s the country's financial commitments suddenly revealed themselves as overambitious. Expensive short-term loans began to mature in steadily increasing numbers.

The fall of commodity prices, and huge development projects such as the construction of a new capital at the president's birthplace, Yamoussoukro, exacted a steep cost that was aggravated by the global recession and high interest rates. Moreover, with nearly half the country's debt denominated in dollars, the rise of the U.S. currency's value against the French franc — to which the Ivorian franc is linked — has exacerbated the debt problem.

The rescheduling agreements, signed earlier this year, were made possible by the country's adherence to the economic prescriptions of the World Bank and the International Monetary Fund, which have become major creditors themselves while seeing through economic reforms that focus on reducing public spending, strengthening the role of the private sector, boosting food production and encouraging industrial exports.

One central change has been the raising of producer prices for crops. After several years of little or no producer price increases for most crops, at a time when consumer prices were steadily rising, the government has increased prices two years in a row. This is necessary to encourage production and improve rural living standards so as to halt the wholesale depopulation of the countryside.

Critics of Ivorian economic policy point out that while the government castigates "speculators" for their influence on commodity prices, the Ivorian government has remained the principal speculator with the country's agricultural revenues. During the cocoa boom of the late 1970s, world cocoa prices rose more than 740 percent while local producer prices increased about 20 percent. The government's custodianship of this windfall led to an accentuation of the imbalance between the rural and urban economies as the public sector rapidly grew and the cities absorbed an inordinate share of the country's budgets.

Along with other austerity measures, which include freezes on salaries and nonproductive investments, the government is having to reign in the unwieldy civil service, which, as in most African countries, is the country's largest employer. This is being done by freezing hiring, repairing a large number of French technical assistants and weeding out defrauders and incompetent bureaucrats.

So far, though there has been an increase in social tension, the austerity measures have failed to produce any strong popular reaction. A reduction in housing subsidies for teachers last year, however, caused a strike that disrupted the placid veneer of national politics, making many observers wonder how much further the government can pursue its budget cuts.

A new investment code, replacing the original 1959 version, aims

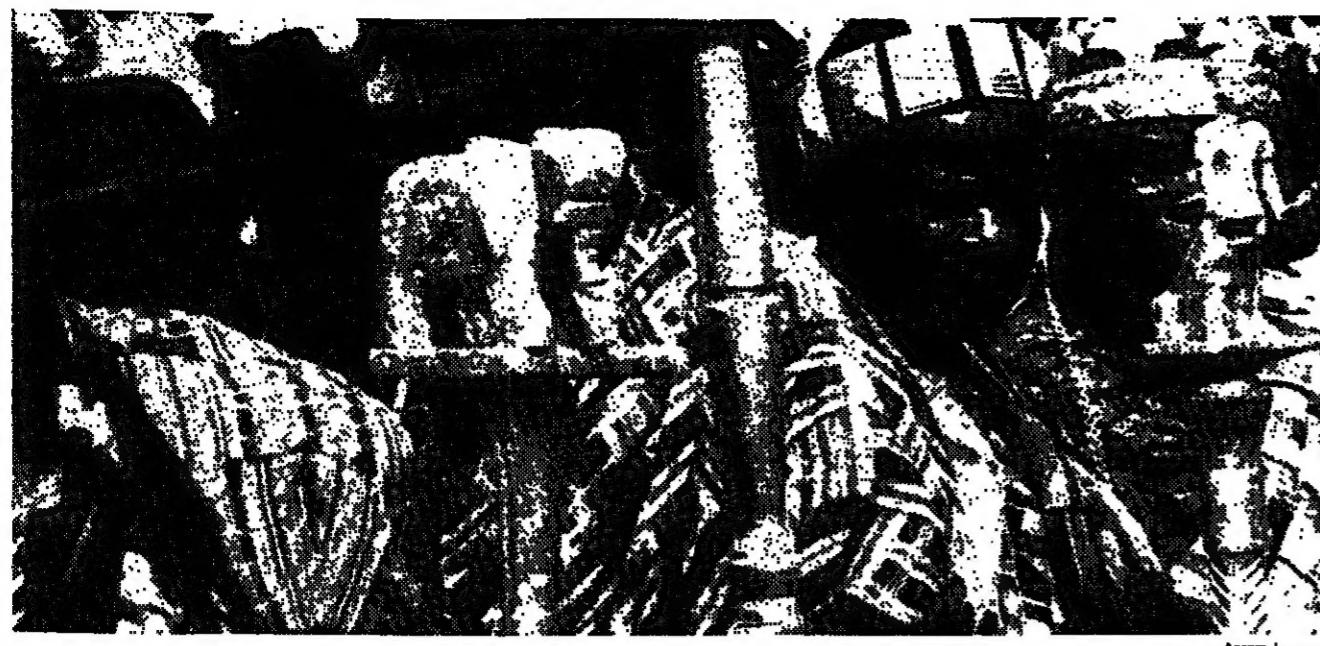
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The annual cultural festival of the N'Zima people of southeast Ivory Coast.

Howard French

A SPECIAL REPORT ON IVORY COAST



Tribal costumes appear at the annual Independence Day celebrations.

Immigrant Policy Increases Ethnic Diversity, Tension

(Continued From Previous Page)

commonly applied to Ivory Coast's Moslem peoples and others who speak the regional lingua franca known by the same name. The two largest northern groups are the Mandé and the Senufo, who have strong cross-border ties with Mali and Bourkina Fasso, respectively. Though each of these groups is represented in government, the Mandé people are better known for their commercial prowess, while the Senufo have remained highly attached to the land.

The fourth major ethnic cluster is the Kroo, which includes the Bete, variously described as the second- or third-largest tribe in the country. The Bete, like the Agni, have had periodically strained relations with the Baoule leadership.

A reconciliation between the Bete population of Gagnoa and the president was recently announced, when representatives of Gagnoa's Bete community was received by Mr. Houphouët-Boigny in Yamoussoukro. The Bete spokesman reaffirmed their support for the president, alluding to a prominent Bete exile as an "errant son." Uneasy ties between the Bete of Gagnoa and the president date to the 1973 arrest of Gnagbe Kragba, who was accused of engineering the cessation of much of the western region from Ivory Coast. The security sweep in which he and his supporters were arrested led to many deaths and the destruction of Bete property. Since then many Gagnoa residents have complained that their region has been deliberately neglected.

Efforts to ensure Bete support for the government have been stepped up in recent years with the promotion of a number of Betes to important political and military posts.

Speculation on the identity of the future vice presidential candidate has recently focused on a handful of prominent Bete politicians.

The drought that has afflicted the Agni and Baoule lands of the once-productive "coco belt" of southeastern Ivory Coast has caused large movements of people to the rich, moist, and underexploited areas of the west, such as Man and Soubré.

— HOWARD FRENCH

Ivory Coast Foreign Relations Dominated By President and the Ties to France

By Richard Everett

ABIDJAN — Ivory Coast foreign relations, like other aspects of government policy, are dominated by two factors — the personality of President Félix Houphouët-Boigny and the influence of France.

The Ivorian president is seen by Western leaders as a man of dialogue and moderation. His foreign policy is pro-Western and he actively encourages foreign investment. Ivory Coast's well-developed economy and political stability have led many countries to make the country the focal point of their regional diplomacy.

All bilateral political relations, however, are overshadowed by Ivory Coast's relationship with France. Many countries are also concerned about who is to succeed Mr. Houphouët-Boigny.

France's presence in the country has increased since independence, with nearly 60,000 French citizens residing there by 1980. The French became integrally involved in the new nation, as technical assistants and as businesspeople enjoying a rapidly expanding market.

Ivory Coast is part of the Communauté Financière Africaine, with currency linked to the French franc, and it has access to the European Community through France. The French government is the primary supplier of aid to Ivory Coast and the French private sector controls the majority of foreign businesses in the country.

In addition, Ivory Coast has a military agreement with France. Political observers note that many

countries are content to maintain the status quo and let France continue to be Ivory Coast's main beneficiary and trade partner, with all the responsibility the position entails.

A Belgian diplomat said his country, like other EC members, "tend to interact with Ivory Coast on a political level primarily at the United Nations, where the Ivorians support our positions on most issues."

Japan's ties with Ivory Coast are increasing steadily, despite the economic recession. Japanese officials say they see Abidjan as a key center

tary regimes in Ghana and Bourkina Fasso (formerly Upper Volta) have been strained in the last few years. Ghana's leader, Flight Lieutenant Jerry Rawlings, and Bourkina Fasso's head of state, Captain Thomas Sankara, have at times accused Abidjan of harboring "dissidents" planning to overthrow their governments.

The Ivorian leader has criticized Bourkina Fasso's and Ghana's ties to Libya, which he sees as a subversive force in black Africa.

The two military leaders' professed desire for revolutionary change and regular denunciations

France's presence in the country has increased since independence, with nearly 60,000 French citizens residing there by 1980.

involvement in the country, and the presence of French troops acts as an assurance of stability to other governments as well. French officials say the recent joint military maneuvers demonstrate France's commitment to Ivory Coast.

France's continued support for Ivory Coast has had its effect on Western countries. Most foreign diplomats say their countries' relations with Abidjan are good. They note, however, that there is little interest in increasing activities in the country. The current economic climate and the uncertainty of the succession issue have put the brakes on plans to substantially increase investments in Ivory Coast. Political observers note that many

for francophone West Africa. A Japanese businessman said: "Ivory Coast has the potential to be the region's Singapore by early next century."

Canada and the United States improved their relations with Abidjan following President Houphouët-Boigny's visit to North America in 1983. The Canadian ambassador, John Bell, said Canada's involvement was shifting "from development aid to industrial cooperation between the two countries' private sectors." He noted that a key aspect of their relations was "Canada's ability to provide North American technology in the French language."

The U.S. ambassador, Robert Miller, said the Ivorian leader's visit with President Ronald Reagan "strengthened an already excellent state of relations." He added: "Our countries share many values, including those of elected governments and market-oriented economies."

Abidjan's relations with its neighbors have been more turbulent than those with the West. As one diplomat said, "Ivory Coast has one of the few civilian governments left in the region — all its neighbors have experienced revolution, coups and military governments."

Political observers said the Ivorian president was surprised by the sudden death of the Guinean leader, Ahmed Sékou-Touré, and the ensuing military coup last spring. The two "founding fathers" were allies in the pre-independence era. They later became bitter opponents, divided over which philosophy was best for African development; in the late 1970s, however, they became friends again.

After eulogizing Mr. Sékou-Touré, whose 26-year regime was swept away less than a week after he was buried, Mr. Houphouët-Boigny moved quickly to establish relations with the new regime. Guinean military leaders have frequently consulted the Ivorian president on development matters.

Relations with the young mili-

of imperialism and neocolonialism are at odds with the pro-capitalist policies of the Ivorian government. Relations with Ghana improved somewhat after a visit to Yamoussoukro, the new Ivorian capital, by Lieutenant Rawlings in 1983, and Ghana recently opened its borders following an 18-month hiatus.

Captain Sankara was to visit Ivory Coast earlier this year but the trip was suddenly canceled.

President Houphouët-Boigny's relations with Liberian and Malian leaders are said to be improving, although their philosophies vary greatly from his. Mali's relationship with Ivory Coast is primarily an economic one as Abidjan is Mali's main access to the sea.

Ivory Coast exerts an influence in the region, with its economic weight and stability. Mr. Houphouët-Boigny was a founder and generally acknowledged sage of the Communauté Financière Africaine Occidentale and the Entente Council (Ivory Coast, Togo, Bénin, Bourkina Faso and Niger), which he created in 1959.

Despite the polite respect offered to Mr. Houphouët-Boigny as the elder statesman of the region, however, most of his neighbors are pursuing very different political agendas, and much of the public deference accorded to Abidjan could dissipate once the president himself is gone. A lot depends on what becomes of the two million people from Ghana, Bourkina Faso and other West African countries who live and work in Ivory Coast. Many of the country's neighbors' economies rely in part on remittances sent home by expatriate workers.

The Ivorian president advocates "dialogue" with South Africa and in 1974 the South African prime minister at the time, John Vorster, visited Yamoussoukro. Abidjan has no formal relations with the Soviet Union. Unconfirmed reports say Ivory Coast is preparing to establish relations with East Germany. Last year, Abidjan recognized China, and already had relations with Romania and Poland.

Offshore Gas Reserves

(Continued From Previous Page)
Espion, but it has for the moment shelved plans to replace the temporary production system with a more permanent, expensive facility.

At the beginning of the year, Phillips A-10 well struck an interesting oil deposit on the Kumba structure, located only three kilometers (1.8 miles) from Espion field. This latest discovery provides hope that the Espion field, currently producing around 17,000 barrels a day, could be upgraded in the near future.

Other exploration drilling has so far proved inconclusive. The French state-controlled Compagnie Française des Pétroles, or Total, pulled out earlier in the year after a few dry wells. Agip drilled two dry holes on its offshore permit during the first months of 1984.

Attention is now focused on the exploration campaign being carried out on block K1, off the town of Fresco, by the Houston-based Tenneco group. The first well drilled, the westernmost one ever attempted, was found to be dry late

in 1984. Tenneco now is analyzing the results, before determining the future of its exploration program. Success would open up a whole new area of the country's continental plateau for exploration efforts.

Following President Félix Houphouët-Boigny's directives, the government has adopted a low-profile approach toward the oil industry. The Ivorian leader is wary of the effects of a sudden inflow of petroleum wealth, preferring a more balanced development strategy focused on agriculture, the mainspring of the country's growth since independence.

It is pointed out in official circles that Ivory Coast must learn from the errors of states such as Nigeria, which sacrificed its rural economy and thus made itself overly dependent on the fluctuations of the world oil market.

Moreover, Ivorian authorities play down the eventual impact of the oil industry on the economy, underscoring that it will take hard effort by the Ivorians themselves to assure economic recovery.

Development Continues Despite Debt

(Continued From Previous Page)
at providing incentives for businesses to install themselves outside of the congested Abidjan area. It is hoped that getting businesses into the smaller cities and rural areas will counter the magnetic pull that Abidjan exerts on the rest of the country. It is estimated that Abidjan, a city of two million, is expanding by more than 10 percent a year as rural Ivorians and foreigners pour in, most of them filling the city's slums.

Having endured a reversal of the

high growth levels of the first two decades of independence — including a negative 4-percent growth rate during the last two years — the business community in Ivory Coast displays cautious hope that the rest of the 1980s will see at least low-level economic growth. Per capita income has fallen dramatically from its 1980 high of \$1,270 to about \$800 this year, and economic growth will have to exceed the annual population growth rate of 3.6 percent in order to reverse that trend.

The Succession Dominates Politics

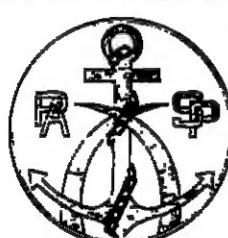
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country's large external debt. These measures have exacted considerable sacrifices in general living standards, contributing to a marked rise in social tension. A foreign business executive whose company has major interests in Ivory Coast said that, "given recent economic setbacks, it is probably a good thing that the succession did not take place earlier."

Despite statements to the contrary in local press editorials, the succession issue continues to be a

prime topic of discussion. The French, whose economic interests in the country remain large, are said to fear a weak if the presidency should suddenly be vacated. Others wonder if any of the would-be candidates for the presidency have the requisite skills and experience to govern a country of some 60 million. Perhaps that answer has known the Ivorian president's rule of one man, in the absence of a "groomed" successor, this question can only grow more acute as elections promised for 1983 draw nearer.

— HOWARD FRENCH

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A SPECIAL REPORT ON IVORY COAST

Storage depot outside Abidjan.

Dealing With the Foreign Debt Burden

By Peter Blackburn

BIDJAN — In recent months bankers' has been concentrated on the rescheduling of Ivory Coast's external debt. Not so long ago, such action by a country regarded by the World Bank as a model for economic development in Sub-Saharan Africa would have been deemed unthinkable.

The country's worst drought for 25 years, along with severe shortages and drastically falling industrial and agricultural production brought renewed wealth. But prospects for recovery in the export earnings of cocoa and coffee, combined with a sharp rise in dollar interest rates, had severely weakened the country's finances.

The government, encouraged by the World Bank, borrowed heavily to try to bridge the gap. An expected increase in offshore oil production brought renewed wealth. But prospects for oil boom look increasingly remote, while oil debt doubled to an estimated \$6.4 billion between 1980 and 1983. At the same time, interest rates had severely weakened the country's finances.

Legislations to reschedule the commercial debt were complicated by the government's need for new money — the first such request in African debt rescheduling. Some smaller banks, which had already lent heavily to America, were extremely reluctant to raise interest rates.

As one Ivorian official pointed out: "By American standards, the amount of monies marginal — especially when shared between 350 banks."

An agreement was eventually reached between a three-bank steering committee, headed by Banque Nationale de Paris, and the government last year.

It took a further four months to ascertain how much was owed to each bank and to gain approval of all the banks involved.

Finally, two agreements were signed in Paris Feb. 27 to reschedule principal of about 224 million francs of the Communauté Financière Africaine, or CFA francs, equivalent to \$481.7 million, due between Dec. 1, 1983, and Dec. 31, 1985. The dollar easily broke the \$481.7 million mark and has increased in value 24-fold over the last five years.

The debt is being rescheduled over five years — two and a half years' grace at 1% percent points over London interbank offered rates, 4% points above the U.S. prime rate. The deal agreement is for the provision of about \$1 billion francs in new money.

French bankers tend to express more relief at rescheduling than their American colleagues. "After all, we are more heavily committed both morally and financially," a French banker said.

American bankers recognize that the rescheduling has helped "clear the air" concerning the country's finances.

French bankers hope the rescheduling will encourage the government to reduce the high level of national debt and payment arrears, now estimated at 170 billion francs.

The government's inability to pay public enterprises, contractors and other companies has been solely felt by the four main Ivorian commercial banks: Banque Internationale pour l'Afrique Occidentale, Société Ivoirienne de Banques, Société Générale de Banques en Côte d'Ivoire and Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire. They have been burdened with a large volume of bad debts resulting from bankruptcies and from trading and other losses.

Lack of liquidity, due partly to the priority given to servicing external debt, meant that companies had to borrow more. Lending by the four main commercial banks rose 17 percent to 749 billion francs in the year that ended Sept. 30, 1983.

Customer deposits stagnated, however, and the banks had to increase their borrowing from foreign partners — almost doubling their debt toward them to 131.5 billion francs.

At the same time other foreign banks, concerned by the country's spiraling debt and declining exports, were cutting credit lines, thus aggravating the liquidity shortage.

Competition for customers' deposits — the cheapest source of resources — was intense. "Too many banks were chasing too little credit," one banker said.

With 37 banks and financial institutions for a country with a population of nine million, some analysts feel Ivory Coast is overbanked, especially as gross domestic product continues to fall in real terms.

A request from the local banking association for government relief regarding interest rates and taxation aroused little sympathy.

The economy and finance minister, Abdoulaye Kouassi, has said that the banks' difficulties can only partly be blamed on the recession. He criticized careless lending by the banks during the cocoa boom of the 1970s as well as poor management reflected by overstaffing and inflated salaries.

Criticism that foreign banks have creamed off the market rather than helping to bring in fresh capital has been rejected by a prominent local banker. "Their presence shows confidence in Ivory Coast's future," said René Amichia, director-general of the state-controlled Crédit de la Côte d'Ivoire.

Foreign banks have brought banking know-how, improved the quality of local banking services and established closer links with the world banking network, Mr. Amichia added. They have specialized in corporate banking, financing the oil industry and funding small-scale enterprises and housing.

With small, streamlined operations, the foreign banks carry far lighter overheads than their top-heavy local counterparts. For instance, Société Générale de Banques en Côte d'Ivoire, the country's largest commercial bank, opened a vast, space-age branch office in Abidjan's Yvridi industrial zone last year.

To date, six international banks, including Citibank and Chase Manhattan of the United States, have expanded representative offices in Abidjan into fully fledged commercial branches.

Four other U.S. institutions — Chemical Bank, American Express, Bankers Trust and Manufacturers Hanover Trust — have West African regional offices in Abidjan.

Paribas earlier this year became the first French bank to open a commercial branch office in Abidjan. Other French banks such as BNP, Crédit Lyonnais and Société Générale have important minority stakes in Ivorian commercial banks.

The arrival of foreign banks caused a major shaking-up of the lethargic local banking sector, while the recession has forced a major restructuring to try and restore profitability," an analyst said.

The Banque Internationale pour l'Afrique Occidentale, for instance, has closed 25 percent of its branches and cut staff to 800 from 950 since September 1983.

Société Ivoirienne de Banque recently received an important injection of fresh capital from one of its main shareholders, Crédit Lyonnais. A new French deputy director-general was appointed to supervise a straightening out of the bank's finances.

Only the Société Générale de Banques en Côte d'Ivoire managed to earn enough profit to distribute a dividend in fiscal 1983. And last month it announced a net profit of \$1.2 million for the financial year ending September 1984, a 26-percent increase on the previous year.

One of the more interesting banking reorganizations taking place is that of Banque Nationale pour l'Épargne et le Crédit, which was privatized three years ago and which recently drew up a fresh set of statutes and appointed a new board of directors.

It is one of two wholly Ivorian and privately owned banks in operation. The other is Banque Ivoirienne de Construction et de Travaux Publics, which is majority shareholder in l'Épargne et Crédit. The other shareholders are TAW International Leasing, L'Union Africaine and various private Ivorian interests.

The l'Épargne et Crédit, a home loan and savings bank, had to undergo restructuring after the withdrawal of government support. It has about 70,000 small savers, representing an important section of the Ivorian community.

"We hope to shortly clear BNÉC's overdraft at the Central Bank so that it will again be profitable," said the chairman, Patrice Yao Konan.

Mr. Konan, who is also chairman of Banque Ivoirienne de Construction et de Travaux Publics, added: "BNÉC plans to diversify its activities away from housing to offer a full range of commercial services."

The Banque de l'Épargne et Crédit hopes that the confidence of the local banking community will soon be restored, he said, and that the bank can develop correspondent relationships so that it is able to serve the international community.

"We hope to have restored commercial assets and become a fully effective commercial bank within three years," Mr. Konan said.

COMMERCE IN THE IVORY COAST

The economic policy of the Ivory Coast since gaining independence has been based on liberalism which has recently been reaffirmed by the suppression of a large number of State companies.

It encourages private initiatives with the role of the State being restricted to establishing the general directions to be pursued within the framework of the Programme, directing, encouraging and channeling energies towards priority sectors and setting up, out of public funds, the basic infrastructures necessary for the economic and social progress to be made.

This liberalism has meant that the Ivory Coast has had to look outside to a great extent in order to find the capital necessary for its development and in this respect commerce contributes substantially to the national development through the gains in foreign exchange resulting from exports and by the saving in foreign exchange realised by practicing a rationalised import policy.

The commercial policy of the Ivory Coast as a result of this basic economic policy is aimed at ensuring:

- on the one hand, the promotion of exports by creating the most favourable conditions possible;
- on the other hand, that the needs of the Ivory Coast are met at the lowest cost and also the distribution of essential foodstuffs;
- and finally, the involvement of the native inhabitants in commercial spheres from which they are excluded, such as reforming and raising the moral standard of commercial professions.

Promotion of Exports

The economy of the Ivory Coast which is essentially based on agriculture, has experienced over the 24 years since gaining independence, a spectacular development which ensures that it has a wide range of exportable products, such as raw materials, processed products or semi-processed products.



M. Nicolas Kouandi Angba
Minister of Commerce

In order to reply better to the commercial ambitions of the Ivory Coast, World Trade Centre has been created which, by virtue of the services and facilities which it will offer, in particular as regards trade information, should allow foreign trade to continue to play a motivating role in the development of the Ivory Coast economy.

Meeting the demand within
The Ivory Coast at the lowest Cost

Meeting the internal demand of the Ivory Coast at the lowest cost leads the government not only to vary its suppliers but also to favour straightforward changes and to establish provisional monopolies for the import of products of prime necessity like rice for example.

It is obvious that as soon as the problem of meeting the national demand for rice has been solved, with a project for rice production having just been relaunched within the framework of the programme to achieve self-sufficiency in foodstuffs, the import of this product will disappear together with the monopoly responsible for its import.

Distribution of Essential Foodstuffs

As the improvement of the trade system must precede the development of production, the government is currently giving particular importance to a programme of action attempting to improve the trade in essential foodstuffs.

It is in fact absolutely necessary that the promotion of the production of essential foodstuffs lays

emphasis on the subsequent trade system in order to ensure that the producers have sufficient profitable outlets to encourage production and guarantee a regular and reasonably priced supply to the consumers.

Taking into consideration the decision taken by the State, in the light of past experience, to withdraw from its role as commercial operator, a public establishment dependent on the Ministry for Commerce has been set up called the Office d'Aide à la Commercialisation des Produits Vivriers (O.C.P.V.) (Office for Assistance in the Commercialisation of Essential Food Products), which is responsible for formulating and putting into operation the government action programme to improve the trade system in essential foodstuffs.

The Involvement of Native Inhabitants
in Commercial Affairs

It is no secret today that large modern trading and small trade also, are in the hands of operators not native to the Ivory Coast.

It is therefore a question of encouraging the native inhabitants of the Ivory Coast to take an interest in commercial affairs using suitable means for this purpose.

Hence, steps are being taken to train native Ivory Coast commercial operators in particular by means of a school for Commerce and Management and through the enriching experience gained from the installation of retail commercial operators which, with the competition of the private sector, can clearly be seen.

Reforming and raising the Moral Standards
in the Commercial Profession

The emphasis has been placed on the repression of fraud, the most notable form of which is over-invoicing; in order to prevent practices which may be prejudicial to the Ivory Coast, a preliminary quantity and quality Control for imported goods has been set up since 1975 which is handled by the Société Générale de Surveillance in Geneva.

The Commercial Policy of the Ivory Coast
is producing extremely positive results

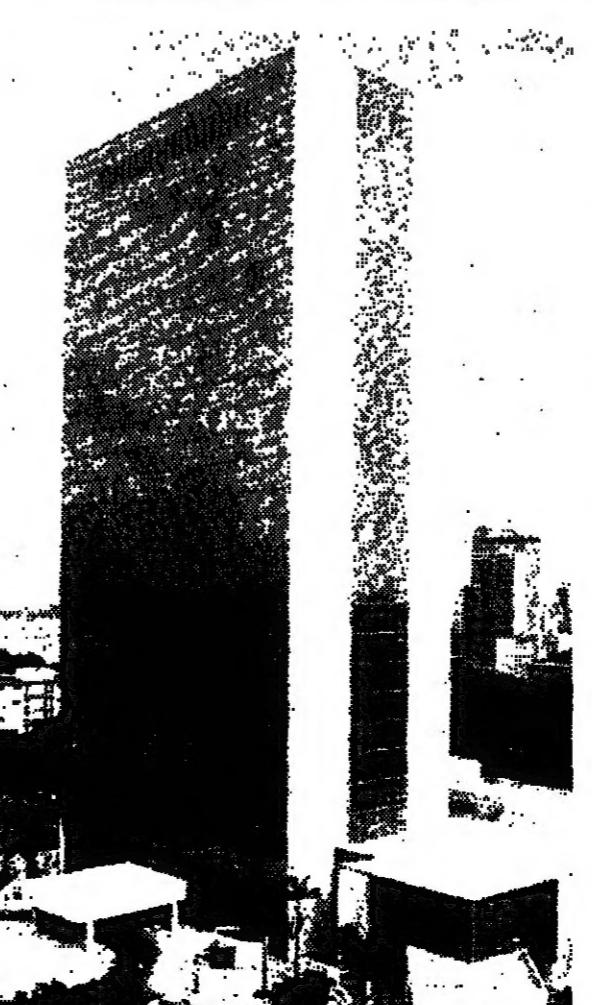
As regards trade, the overall transactions of the Ivory Coast abroad have increased from 71,172 thousand million F. CFA in 1960 to 238 thousand million in 1970, 1296 thousand million in 1980, 1342 thousand million in 1981 and 1466 thousand million in 1982, of which exports represent 38.8 thousand million (1960), 130 thousand million (1970), 663 thousand million (1980), 689 thousand million (1981) and 747 thousand million in 1982 respectively, producing a trade balance which remains traditionally positive.

Despite the leading role still played by products such as cocoa (largest producer in the world with 445,000 ton in 1981-82), coffee (third largest producer in the world and the largest in Africa with over 360,000 tons), wood, palm oil, natural rubber, pineapples, bananas, etc., the Ivory Coast today exports more and more products of considerable added value, (textiles and off-the-peg clothes, food preserves, construction materials, petrochemical products, etc.).

As regards meeting the internal demand, running out of stock and the periodic shortages remain only as sad memories.

The Ivory Coast thus reveals itself, although the attitude of its President is still cautious, a real oasis among otherwise deprived States which are to say the least, much less developed in comparison.

Centre de Commerce International d'Abidjan



The World Trade Centre in Abidjan is a 31 floor complex built on the Plateau, close to the future Triumphal Way, which offers an exceptional number of services.

Apart from luxury office accommodation, with all modern amenities, facilities exist for meetings, seminars, congresses and symposia with the flexibility to cater for numbers from 50 to 320 persons. Offices are available on both a permanent and temporary basis.

Communications are excellent with 900 direct telephones, telex and telegram lines.

Among other services offered are reception assistance, an information and documentation service, data bank and library as well as secretarial, translation and interpreting bureaux.

There is a 700m² exhibition Hall which can be rented as a whole or in part according to requirements. There is parking space for 670 cars in the basement.

The building also incorporates a Training Institute, Business Man's Club and the normal facilities such as a Post Office, Bank, restaurants, shops and travel agencies.

All Departments of the Ministry of Commerce are located in the Centre.

*These services will be operational in the near future.

For further information please contact:

Centre de Commerce International d'Abidjan,

Avenue Jean-Paul II, BP V 143, Abidjan,

Côte d'Ivoire

Telephone: 32 30 92/32 43 78. Telex: 23460

A SPECIAL REPORT ON IVORY COAST

Government Increases Control Of Its Spending on Education

ABIDJAN — Every October in Ivory Coast, the much publicized *rentrée* or return to school absorbs Ivorian students, teachers, parents and government officials. This year, the anxiety and complaints were in many ways greater.

More than 3,000 university students, expecting more education at state expense, were informed that only a third of their number would receive state scholarships. Parents of 200,000 secondary-school students scrambled to find places for their children in a limited number of free state schools.

Secondary-school teachers were told that 20 of their number, including four main members of their union executive, had been reassigned away from Abidjan, the seat of union activities that in 1983 included a strike in protest against the government.

The minister of national education and scientific research, Balla Keita, said the Ivorian school system is having to adapt to the means and priorities of the state. Government economic austerity demands that financial commitments have to be reduced.

With 43 percent of the state's operational expenses going into the education budget, the Ivorian government believes it has ample reason to decide where the money goes and what Ivorians can study.

After years of paying the full cost of education for thousands of students, the Ministry of Education reported this year that the country now had a large surplus of social sciences and languages graduates who were joining the ranks of the "intellectual unemployed." Ivorian science and math teachers fill less than 10 percent of Ivory Coast's needs, so the government has to hire other African or French teachers at up to four times the cost.

Employment opportunities for social-science graduates are becoming scarce as the government freezes hiring. The need for scientists and technicians is increasing, meanwhile, as the country focuses on its agricultural and financial problems.

Education officials point out that the Ivorian school system was modeled on the French system and thus has produced too many graduates whose degrees are not directly relevant to the economic and social situation of a developing African country. State orientation of students' programs, which begins in secondary school, is becoming increasingly slanted toward scientific disciplines.

About 1,000 new students enrolled in Abidjan University this year and 500 others took up teaching programs at the country's Ecole Normale Supérieure. A majority of all these students entered science or math programs. In addition, hundreds of Ivorians signed up for training at the Institut National Supérieur de l'Enseignement Technique.

Mr. Keita, the education minister, sees revamping the school system as more than just instituting a practical curriculum. One of his major innovations since he assumed responsibility for the nation's education two years ago has been the introduction of "moral and civic education" programs in which students are taught issues such as the importance of honesty and discipline, the dangers of alcohol and drugs, and the role of the individual in the neighborhood, city and society.

Moral and civic education involves learning about the country's single political party and its achievements, memorizing the national anthem and calling Ivory Coast's president, Félix-Houphouët Boigny, "the father of the nation."

While some teachers complain that presenting this material implies a political commitment that they

lack, Mr. Keita calls the program an "absolute priority," in order to equip Ivorians to resist what he sees as subversive foreign ideologies that run counter to the country's one-party system and free-enterprise ethos.

The teachers' unions — the only unions outside the country's essentially government-controlled union federation — have been the most vocal, if not the only, critics of government policies. Recent meetings by the University and Secondary School Teachers' Union have ended with long lists of grievances concerning what the teachers regard as poor material, professional standards and moral conditions at work.

The minister has responded to their charges of an undemocratic decision-making structure by suggesting that they are trying to act as a political party and not a union. He said, however, that he was willing to discuss the charges if they came up with realistic proposals.

Concerning their economic complaints, he said the state no longer had the means to expand the school system.

As a result, Ivorian schools are now under considerable strain. Hundreds of thousands of Ivorian parents, from poor farmers to the well-educated and highly paid civil servants, want their children to go to school. But this year the state was able to offer only about 35,000 places in 30-seat classrooms in the public and partly subsidized private schools for about 200,000 primary school graduates. Enrollments have swelled to as high as 80 students to a classroom in some schools.

At the primary-school level, some towns and villages have constructed their own schools as well as lodgings for teachers.

Some directors of public schools as well as some teachers have tried to offer classroom places for a price, so this year Mr. Keita moved student recruitment away from individual institutions and centralized it in his ministry.

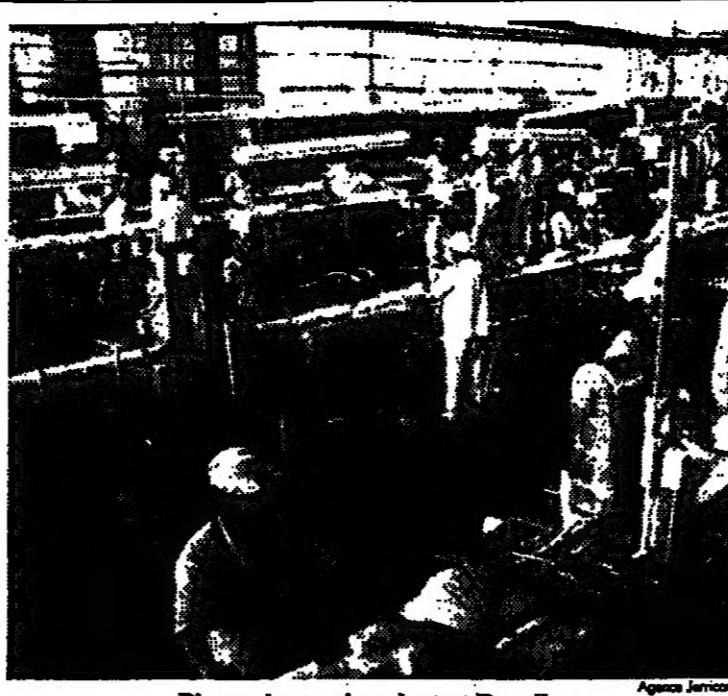
He is being criticized for his own recruitment methods, though. The minister has begun what he calls "complementary recruitment" to allow about 12,000 less successful students from poorer backgrounds into schools after normal orientation procedures have been completed. Some teachers and school officials call the process a "parallel recruitment" that ignores their recommendations concerning suitable students and allows individuals to continue in the system for political reasons.

Directors of public schools were informed this year that they could no longer charge what have often been inflated fees to cover costs of insurance, books and such items as identity cards.

The government is substantially reducing the number of non-Ivorian teachers, particularly the French, who in addition to being a considerable financial cost have aroused resentment among unemployed Ivorians. The numbers of French teachers, or *coprements*, who were hired through the French Ministry of Aid and Cooperation, have been cut back by about a third. In better times, the government paid 80 percent of their salaries, which included free lodging and annual trips to France, making their earnings four times greater than those of their Ivorian counterparts.

Even the education minister recognizes that the Ivorian school system is in some disarray. He has announced that a general meeting will be held to examine Ivorian education, and has promised that everyone from disgruntled teachers to fretting parents will be asked to attend.

— LYSE DOUCET



Pineapple-canning plant at Bonoula. Agence Jérôme



A fish-canning plant. Agence Jérôme

Industrial Development: New Hopes for Growth

ABIDJAN — Long the poor cousin of agriculture, Ivorian industry is being called upon to play an increasingly important role in sustaining economic growth, as production of the historic pillars of Ivory Coast's agricultural economy — cocoa, coffee and hardwoods — approaches practical limits.

At independence in 1960, Ivorian industry was practically nonexistent. The 150 industrial concerns active locally were almost entirely French-owned and controlled, often subsidiaries of the large French trading houses implanted throughout France's former colonies in West and Central Africa.

The Ivorian government began efforts to create import-substitution industries in the early 1960s, primarily in the manufacturing sector, in order to reduce dependence on imports from France and Senegal, the latter having been the chief manufacturing center as well as administrative capital of French West Africa.

By 1970, 68 percent of all industrial production was being sold locally, where high import taxes and quotas for competing foreign imports assured a market. The most successful exports were those that required relatively little transformation of local products, such as coffee and cocoa, to which little value is added in the processing.

While it was heavily dependent upon domestic sales, Ivorian industry accounted for only 18 percent of the local market for industrial goods. Analysts worried that, given the limited variety of goods produced, Ivorian industry could not greatly increase its share of the national market. Local industry had to export or perish.

Policy-makers responded to the challenge with an ambitious investment program, which increased total Ivorian participation in domestic industrial capital from less than 30 percent at the beginning of the 1970s to 65 percent in 1982. In better times, the government paid 80 percent of their salaries, which included free lodging and annual trips to France, making their earnings four times greater than those of their Ivorian counterparts.

Even the education minister recognizes that the Ivorian school system is in some disarray. He has announced that a general meeting will be held to examine Ivorian education, and has promised that everyone from disgruntled teachers to fretting parents will be asked to attend.

With the Ivorian government caught in a serious liquidity

crunch, and apparently chastened by the bitter lessons of huge public investment blunders made during the 1970s, World Bank began a program of "structural adjustment" in 1981. The bank's structural adjustment aid was restructured and considerably increased, in July 1983, when an ambitious and politically delicate \$250-million program for Ivory Coast was approved.

The World Bank having succeeded, in large measure, in prompting the state to limit its industrial ventures during this phase of this assistance, the new program is planned at major private industries, such as textiles, chemicals and assembling industries.

The new reforms introduced after several months of efforts to explain them to all parties concerned, involve gradual removal of tariffs and import quotas, long-term protection of locally made merchandise from foreign competition. A major component is the 40-percent import tariff imposed on raw materials and parts used in the production of a variety of goods, from cloth to automobiles. These tariffs will be rebated on goods that are exported, assuming they badly needed foreign reserves.

A World Bank official explained the reforms. "The manufacturing industry that grew up here has always aimed providing for the local market, but has passed on its costs to the rest of the economy because the government has allowed it to hide behind protectionist barriers," he said. "Our program will allow the government to identify those industries which are truly viable, so that incentives be focused on them."

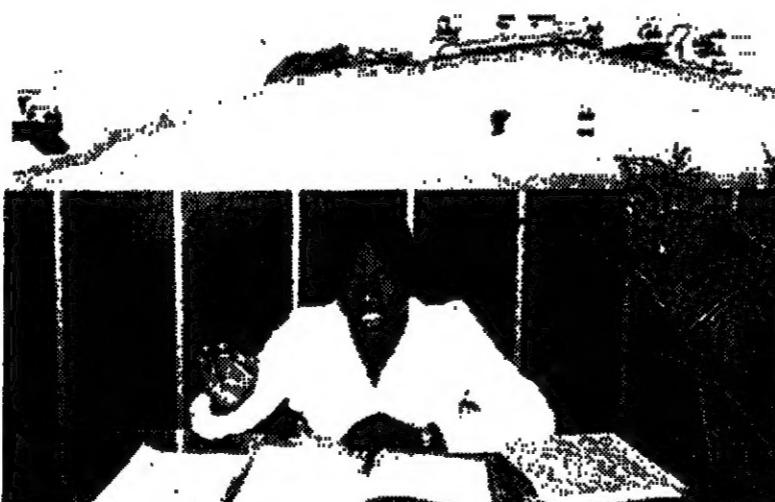
In an emotional rebuttal, however, an Ivorian manufacturer complained that "a 40-percent tax on parts will put us out of business in a matter of months."

Some observers have criticized the World Bank for the abruptness of its reforms, especially since they are undertaken by the heels of a number of major austerity measures undertaken by the government. One economist said: "It is just not much of an industrial fabric here, and those [World Bank] program aims at encouraging exports, so the existing industries can be expected to learn to swim enough."

— HOWARD FREY

PALMINDUSTRIE

The largest Exporter of Palm Oil in Africa and third largest in the World.



M. Dossongui KONE
Director General of Palmindustrie
Photo: Fathi Mahouschi

In 1968 the Ivory Coast still imported 2,000 tonnes of palm oil and at that time the production of coprah in terms of oil was not more than 5,000 tonnes per year. Moreover, at the present time, had no development programme been realized and successfully followed through for the cultivation of oil-producing plantations, it would be necessary to spend an annual sum of between 60 and 70 million US Dollars in order to meet the internal demand, without taking into account the sum recuperated on the foreign exchange by virtue of the fraction which is exported and the indirect effects on the national economy, duty, indirect taxes, jobs created, road construction and residential building, dispensaries and schools, installations and maintenance posts in respect of the operations related to the "Palm" and "Coco-Palm" projects.

All these production activities and the operation of these projects is ensured by the Ivory Coast company, PALMINDUSTRIE, which has established agreements of cooperation with a group of three European companies specializing in the agro-industry of plantations.

These agreements, which were sought and decided by the Head of State, have as their aim:

- to enable PALMINDUSTRIE to market its products under favourable conditions
- to facilitate the exchange of specialised skills
- to ensure a strict and efficient management which only the private sector can achieve when confronted with competition
- to make preparation for the privatisation of the sector by bringing national and foreign private partners into contact, while the State remains in the majority.

PROSPECTS

It has been shown above that the annual capacity for the production of palm oil, taking one year with another, is

between 140,000 and 160,000 tonnes. By virtue of its use in foodstuffs, palm oil is mainly consumed on the internal market, while the lauric oils (cabbage-palm and coprah) are more especially intended for export.

At present, therefore, it is possible to ensure that the internal demand, estimated at 125,000 tonnes will be met, but that will no longer be the norm from the year 1990 onwards.

Indeed, because of the higher standard of living and the accompanying growth in the population on the one hand, and urbanisation on the other hand, the internal demand is increasing as shown by the figures below:

- 1985: 125,000 tonnes
- 1990: 158,000 tonnes
- 1995: 217,000 tonnes

Thus during this time, the plantations established between 1962 and 1978 will age; as such it is necessary to replant after a 25 year period, which consequently results in a temporary decrease in the production capacity as the palm tree only begins producing in the fourth year after planting. Thus, from 1981, a second Palm Project was studied and

commenced in 1983. This project covering the period 1983/1990 includes in particular:

- | | |
|---|-----------------|
| — replanting of the oldest plantations: | 18,000 hectares |
| — the creation of new industrial plantations: | 12,000 hectares |
| — a programme for village plantations: | 43,000 hectares |

which is to say a total of 73,000 hectares over an 8 year period.

All these programmes are realised and their progress followed by PALMINDUSTRIE.

The EDF is at present financing a part of the 1983/1985 programme while the evaluation of the 1986/1990 programme is being carried out.

THE CLIENTELE

As in previous years, the sales remain orientated towards the EEC countries, on the one hand because of the freight facilities, and particularly taking into account the tariff preference scheme for oils (4% for palm oil and 7% for lauric oils).

The United States maintains its place in the Ivory Coast market for lauric oils, but tends more in favour of coprah oil instead of cabbage-palm oil.

After a lapse of one year, Senegal reappeared on the Ivory Coast palm oil market while the quantities of this product purchased by Burkina Faso increased considerably. Mali entered the market in very modest proportions.

As far as cabbage-palm and coprah pellets are concerned, the Federal Republic of Germany and the Netherlands remain the only purchasers abroad.

PALMINDUSTRIE — the outcome of a farsighted political willingness and a real international North-South cooperation.

Directeur Général M. Dossongui KONE
Directeur Général Adjoint M. Christian BRUNIN
Secrétaire Général M. Ferdinand SANGARET

Siège Social: Abidjan - Côte d'Ivoire 01 - BP: V239 - Tel: 36 93 88

Société des T...

Abidjan T...

Tel: 34 6...

Office des P...

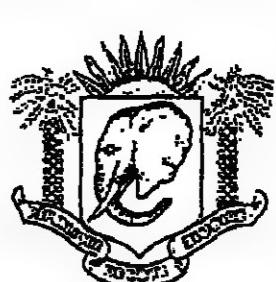
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SOTRA

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25 Years of Independence

A Proud Record of Achievement

The twenty-fifth anniversary of Independence to be celebrated by the Ivory Coast this year is an appropriate time for looking back over the past and reviewing the economic and social achievements particularly in the field of facilities and communications.

In this respect, the Ivory Coast can, with reason, be proud of the results obtained thanks to the substantial efforts made to acquire the modern facilities required to achieve the level of development aimed at under the guidance of our farsighted President, Mr Félix Houphouët-Boigny.

In this country, which in 1960 only had limited means of communication, an export trade of agricultural products, and where almost the entire population lived in a rural milieu, the public authorities, immediately after Independence, devoted themselves to setting up the necessary substructures and services which would become the means and support of national development while at the same time establishing a new life style for its residents, an urban lifestyle. The freedom of movement as regards persons and goods encouraged by a liberal social and economic organization has, among other things, given rise to the development of post and telecommunications operations through the installation of modern techniques similar to those of the industrial nations. A quick glance at the different sectors of activity covered within a single ministerial department for public works, construction, post and telecommunications makes it possible to point out the most significant achievements which have supported and accompanied the development of the Ivory Coast over the last 25 years.

Public Works and Transport

Since 1960, the aim of this sector has been to install a reliable and inexpensive rapid communication network which would serve the remote rural areas, facilitate trade and cooperation while at the same time reduce regional imbalances and help strengthen national unity.

Over the twenty-five years, during which the number of motor

vehicles has increased tenfold, the road network has been increased by 25,000 km and its quality improved considerably, in particular as regards the 3,600 km asphalted highway compared to 680 km in 1960.

Those who have particularly benefited from the State's efforts in this field are, the South West by virtue of the installations around the Port of San Pédro in this region and the North with the two important North-South routes which have been constructed.



A. Barry-Basseti, Minister of Public Works, Construction, Posts and Telecommunications

Photo: Faïth Mahouschi

The national and international railway network (Abidjan-Ouagadougou) has been modernized and the traffic has increased by 2.4 ton/kilometre and by 3.8 passengers/kilometre.

The equipping of the Port of Abidjan and the creation of San

Pédro have meant a very significant growth on goods trade (x 5.5 from 1960 to 1983). Air traffic has likewise multiplied (x 12.6 for passenger traffic) which required the extension of the airports in Abidjan and Bouaké, the creation of an airport in Yamoussoukro as well as several other regional airports.

The installation of all these substructures closely linked to the growth in trade has not only made it possible to satisfy immediate demand, but also, in many cases, anticipate the future by providing the country with a well proportioned and functional system of communication and transport.

Construction and Town Planning

One of the most predominant features in the recent history of the Ivory Coast is the development of urban centres. Compared to certain other countries in Black Africa, the Ivory Coast possessed no real urban centres prior to the 1960's and the colonial authorities only set up a few administrative centres in the first half of the century.

The rapid progress of economic activities and the installation of important facilities such as the railway and the construction of a deep water port, encouraged the growth of commercial urban areas like Abidjan, orientated towards trade.

While the urban population in 1960 amounted to only 600,000 inhabitants, in 1983 almost 4 million out of a population of 9 million live in towns.

The development of the national territory must therefore necessarily involve the creation of a graded urban network, harmoniously distributed and perfectly controlled.

Thus, the main agglomerations were provided with town planning projects: 100,000 urban and rural dwellings were constructed with State aid, 137 agglomerations were supplied with drinking water, and the total number of village wells and drilling programmes has increased from 500 to 7,800.

In addition to the particular effort which has been made in respect of Abidjan in order to provide it with the substructures necessary for a town of more than 2 million inhabitants (for example the transport network which caters for 240 million passengers per annum), two towns have experienced exceptional progress: San Pédro in the South West and, in

particular, Yamoussoukro in the centre which has been provided with the facilities necessary for fulfilling its role as a political and administrative capital. In the same way, the urban policy followed has been resolutely orientated towards the future in order to prepare for the Ivory Coast 25 years hence with a population of 30 million of whom 20 million will be city dwellers.

Personnel Training

Whatever the range of material facilities in operation, any establishment which does not provide for the training of its personnel is doomed to failure. In this respect, the Ivory Coast has made considerable efforts.

Two large schools handle the training of engineers and technicians for equipment and communications: the Higher National School of Post and Telecommunications (L'Ecole Supérieure des Postes et Télécommunications) and the Higher National School of Public Works (L'Ecole Supérieure des Travaux Publics). The latter, in particular, which has been recently established and is provided with the most sophisticated installations, is one of the finest examples of training establishments in the country.

These two schools are one of the most important resources in the policy to train Ivory Coast personnel and make it possible to meet the basic needs of public and private business.

The world economic crisis which has had a serious effect on the developing countries and which the Ivory Coast could not avoid totally, may be seen, in some respects, to have had a positive side.

The pause in expansion meant that it became necessary to investigate a more efficient method of operating the existing installations, to conserve and ensure the maintenance of the substructures and to re-organize and improve the public and semi-public sectors with a view to obtaining the very best return possible; an attitude which was often lacking.

In taking this approach, the Ivory Coast is effectively preparing itself for the economic revival by establishing conditions which will favour national investment and encourage the finance from abroad which is, and which will continue to be, absolutely necessary for a developing country resolutely looking towards the future.

OFFICE DES POSTES ET TELECOMMUNICATIONS

The development of postal operations is basically illustrated by a more efficient service throughout the territory and by a considerable effort to adapt to consumer requirements.

The national sorting office, recently constructed in Abidjan, will facilitate both an increase in the handling capacity of mail and packages and accelerate distribution. 3,700 telephone subscriber lines in 1960, 48,000 at present plus 2,400 telex lines; these figures alone show the progress made.

An ambitious investment programme, carried out through the five-year programmes, supported by the confidence of the bilateral and international organisms, has made it possible to develop a wide-ranging substructure towards the centre of the country: within a few months time, the potential capacity of the automatic exchanges will reach 80,000 subscribers.

The most advanced techniques have been put into operation: limited duration electronic exchange (fifty percent of the 35,000 subscribers take advantage of this facility), pocket radio-telephones, electronic messages, transmission of data, however, the most important development has been at international level. The Ivory Coast has had a share in the submarine cable networks to Europe and South America, and has always been in favour of the Intelsat organization for satellite telecommunication. Its 600 international lines which share these two techniques, ensure the Ivory Coast of excellent direct lines with around forty other countries. For the moment, the international economic situation and the need to strengthen a few weak points within this extensive network, as soon as possible, have resulted in a certain caution as regards investment, but the schedule for 1995-2005 which is currently being drawn up, provides the opportunity for a fresh increase using the most recent developments in technology to their best advantage.

For further information please contact:

Office des Postes et Télécommunications
BP: V 153
Abidjan, Ivory Coast

Tel: 34 68 68 Telex: 23790

SOTRA

Société des Transports Abidjanais

Abidjan Transport Company

1,100 vehicles - 6,000 employees — 240 million passenger operation
37 billion FCFA operating budget 42.5 billion FCFA accrued investments to 30.9.84

A mixed investment company with a capital of 3, billion FCFA — Ivory Coast Government, 60% — Renault Group, 40%

SOTRA is a concessionary company dealing exclusively with general public transport in the city of Abidjan. This transport consists of several services.

The Urban Service

The urban network consists of 51 lines operating 610 modern buses, 100 seat Renault S 105's.

Route length 742 km; 800,000 passengers carried per day in the course of 9,000 journeys representing 131,000 km.

Taxi-Luggage Service

With 45 17-seater Renault SG2 minibuses and 2 specially equipped S 105's, this service ensures that trips between Abidjan and the suburbs are well provided for.

Lagoon or Boat-Bus Service

With 14 boats in operation served by 2 shuttle lines between the town centre and the Plateau du Banco, 25,000 passengers are transported per day in the course of 450 crossings.

School and University Service

With 107 50-seater Renault SM8 buses and 35 Renault S105 standard buses, this service ensures the transport of students (between campus and university halls) and also serves 8 secondary schools.

Special Tourist Services

Outside the concession, SOTRA provides a certain number of personnel services; employees of air companies, private educational establishments, etc.

Likewise, it furnishes almost all the tourist transport with 14 specialized coaches, 5 of which are air-conditioned, as well as a specially equipped boat bus. It offers excursions, organized trips or, on request, conference transport, etc.

Substructure and Equipment

SOTRA has 7 depots at its disposal each catering for between 180 and 200 vehicles, one of which is still under construction. These are distributed throughout the city and deal with all the various activities of the company in a decentralized manner (maintenance, running, accounts, personnel, social and medical affairs). It also has central mechanical and coach building workshops.

SOTRA has 3 lagoon stations available for development as well as control stations, one of which was completely refurbished in 1984 with another underway for 1985. 14 terminals are to be fitted with bays, offices and signposts. The fleet will increase to 1,088 vehicles and 19 boats in 1985 which will include

880 Renault S 105 100-seater buses

124 Renault SM8 50-seater buses

63 Renault SG2 17-seater minibuses

21 Renault coaches with various capacities

Investment at 30 September 1984 amounted to 42 billion FCFA of which 28.5 billion is accounted for by vehicles on the road.

The Future

In the years ahead SOTRA will be paying particular attention to the growth of Abidjan (2.5 million in 1990 to 10 million in the year 2000) which will make it necessary to formulate plans for a new type of heavy transport, such as an urban rail service, which is currently being studied.

It was on 28 March 1961 in Yaoundé that eleven Heads of State and Government (the Cameroons, Central Africa, the Congo, the Ivory Coast, Gabon, Dahomey (now Benin), Upper Volta (now Burkina Faso), Mauritania, Niger, Senegal and Chad) signed the treaty on "African Air Transport" creating a joint, multinational air transport company. In Abidjan on 16 June 1961, the joint company legally came into being and was named:

Air Afrique was born.

The main reason behind the creation of Air Afrique was the combination of resources by these young independent States, foregoing the expensive prestige of a national flag carrier, in order to set up a reliable means of air transport as regards inter-African and intercontinental links and, at the same time, taking a step towards regional integration and African unity.

Togo signed the Treaty in March 1968. The Cameroons and Gabon pulled out of Air Afrique to create their own national companies in 1971 and 1977 respectively.

Nos avions sont aussi vos ambassadeurs



AIR AFRIQUE
Une nouvelle puissance.

Air Afrique could not exist without the air traffic rights which constitute freedom of movement in the air. As a result of the member States placing their air traffic rights at the disposal of Air Afrique, the company possesses exceptional resources from this point of view ensuring its future expansion.

Its network, the most extensive among the African airline companies, covers 119,450 km and consists of:
a transatlantic network of 5,250 km;
an inter-state network of 27,700 km;
an intercontinental network (Europe-Africa) of 85,500 km.

The network covers 19 African countries providing a regular service and also links the continent to France, Italy, Switzerland, the Federal Republic of Germany and the United States.

Flight schedules play a most important role as they constitute the main sales point. They are fixed annually with a view to achieving better network operation and capacity. By adopting the ALPHA III system, Air Afrique has chosen to rely on electronic methods and automation which are more efficient, reliable and rapid than a dependence on human capabilities.

Despite occasional setbacks, Air Afrique has been very successful and is a fine example of African cooperation and solidarity.



Aoussou Koffi, President and Director General of Air Afrique Photo: Faïth Mahouschi

Tourist Industry regarded as priority sector

Since 1970, the tourist industry has been classified as a priority sector in the Ivory Coast economy after agriculture and industry. The Ivory Coast has therefore made considerable investments. As regards holiday villages: there are two, (Assinie and Assoumido) which are equal to any to be found in other countries and which are operated by two companies, one of which is French and the other Italian.

Among hotels of high standing there is the Hôtel Ivoire, the Sébroko, the Président (in Yamoussoukro), the Golf and recently the Hilton International in Abidjan. As regards hotels of international class, the Ivory Coast is well provided for.

Ivory Coast has been doing for some years now – its role being currently played in the organization of activities in the professional spheres and the encouragement of promotion for the country.

It should be noted that the tourist industry is one of the sectors which is most representative of the Ivory Coast. More than 90% of the facilities may be attributed to the Ivory Coast itself. The same applies to the employees.

The only concern for the sector at present is the lack of tourists. The reason for this, according to professional opinion, is first of all because the Ivory Coast is quite an expensive destination and secondly because of the lack of certain air routes. (For example: to go to Kenya from the Ivory Coast it is sometimes necessary to travel via Europe.)

These two major problems were discussed at the 30th S.N.A.V. Conference (Syndicat National des Agents du Voyage Français – National Union of French Travel Agents), which was held during the month of October in Abidjan, attended by the Ministers for Tourism of the participating States in "Air Afrique".

As far as ground facilities are concerned, the Ivory Coast is relatively inexpensive. In response to criticism of high prices, those in charge of tourism in the Ivory Coast point out that the cost of one night in the Hôtel Ivoire is clearly less than in similar hotels in Gabon, the Camerons, Morocco or Tunisia, which nevertheless continue to attract large numbers of tourists.

They stress, however, that the standard of service provided by each category of hotel has to be taken into account. Those responsible are of the opinion that the

problem is one of organization.

In the Ivory Coast, apart from the State related companies there are no private agencies; companies who handle business and commercial transactions freely in the tourist sector. Travel agencies appear to be just offices for the sale of tickets. Changes need to be made in this respect. By encouraging more and more conferences, which are financed by those who are in the profession themselves, the influx of tourists will give rise to the creation of such companies and thus allow the problem to be overcome.

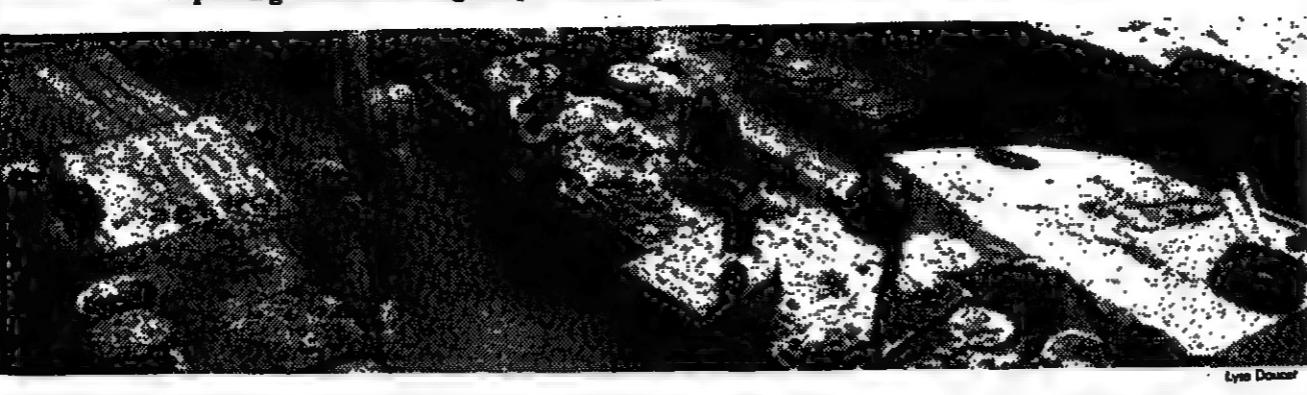
A SPECIAL REPORT ON IVORY COAST



Tribal masks.



A painting commemorating Ivory Coast independence, above, and a rural market, below.



Old and new architecture in Abidjan.

Ivory Coast's Communications Center Is Becoming a Hub for West Africa*Special to the IHT*

ABIDJAN—Ivory Coast marked a centennial last year, but the event passed virtually unnoticed. This was an indication of the degree to which the science of telecommunications is taken for granted in a nation that has one of the most advanced telecommunications systems in Africa.

In 1884, France completed the first telegraph line from Grand Bassam, then capital of Ivory Coast, to Jacqueville and Grand Laboué, two coastal economic centers to the west. Three years later, international communications were launched with the opening of a bureau of the West African Telegraph Company that was connected by underwater cable to Accra, in what is now Ghana.

Over the next 20 years, Ivory Coast was gradually linked to the rest of West Africa. Telephone service was inaugurated between Grand Bassam and Accra in 1909. Direct telegraph service with Monrovia, Conakry and Dakar began in 1912. The first external radio link was completed in 1921.

Development of the Ivorian system lagged behind that of more prosperous French colonies such as Senegal and Guinea. Direct radio links

with Paris were established in 1943. The first automatic dialing system, equipped with 2,000 lines, was installed in 1955. Only in 1959, the year before independence, was a national telecommunications office created as part of an agreement with Compagnie France Cables.

Since independence, however, Ivory Coast

has not only developed its internal communications network to the envy of its neighbors, but it has also become a major regional communications center. The achievement is due in large part to what Ange-François Barry-Bastest, minister of posts and telecommunications, described as a policy of considering telecommunications to be a "privileged tool of economic development in a liberal-type economy."

That policy and considerable capital investment have helped establish a national network of 45,000 telephone subscribers in a nation of nine million people. All cities and most major towns in Ivory Coast have telephone and telex service, 90 percent of which is automated. The regional centers are linked for the most part by microwave. In Abidjan, 50 percent of the system is digital.

The national network is linked to the rest of the world by 500 international cable and satellite circuits, according to ministry technicians.

toward fulfilling its assigned tasks" under Panaf.

On the national level, the government is engaged in an extensive modernization and expansion program. Demand considerably exceeds supply. For example, the government believes the number of telephone subscribers will triple by 1990. It is working with a team from the International Telecommunications Union to increase the capacity of the national network. A team from British Telecom is advising on a modernization program for the system in Abidjan, which serves 35,000 of the country's 45,000 telephone customers.

With financing from the African Development Bank, the government plans to install a digital central exchange system in downtown Abidjan and add 10,000 telephone outlets by 1986. The system is designed to replace the electromechanical "Pentacota" exchange that has been in operation for the last 15 years.

The foremost obstacle to the ambitious growth plan Ivory Coast's financial difficulties. Severe austerity measures have forced the government to reduce capital investments. The government recently announced a large reduction in its expatriate "technical adviser" staff. Experts say there are a number of Ivorian technicians qualified to carry out the development program, but many of them may be called to fill vacated positions in senior management. Another criticism is the high cost of services to subscribers, due in part to "very capital investment in recent years but also to overstaffing.

Nevertheless, despite the economic problems, the political desire for an efficient and modern telecommunications system prevails in Ivory Coast. And an interest in new and appropriate technology persists.

For example, the government is considering an experiment using optical fiber cables instead of rubber. Such cables would be less susceptible to disruption caused by lightning, rust, two major handicaps for telecommunications in a tropical climate.

The proposal illustrates the type of thinking that, 100 years after the Bassam-Jacques telegraph line, has helped give Ivory Coast a national communications system that is envy of the region and external links that make it one of the major telecommunications centers in Africa.

CONTRIBUTORS

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ADVERTISMENT

Caisse de Stabilisation

Fund for the Stabilisation and Maintenance of Prices for Agricultural Products

A state company with a capital of 4 thousand million CFA Francs, the Caisse de Stabilisation (Fund for the Stabilization and Maintenance of Prices for Agricultural Products) was placed under the technical guidance of the Ministry for Agriculture and the financial guidance of the Ministry for Economy and Finance. Given its important role in the future of the country, its activities are closely watched by the President of the Republic himself.

The fund fulfills a multiple role. In the first place, it keeps the prices of products purchased, and for which it is responsible, regular and thus ensures a guaranteed return to the planters. This is no longer its only raison d'être. In the second place, just as the agriculture of the Ivory Coast becomes more diversified, in the same way the fund has broadened the scope of its activity and operates on a wider scale than that for which it was originally conceived.

Apart from its function vis-à-vis the planter, it is becoming more and more directly involved at production level and, indirectly involved in the State budget. Over the years, the scope of its function has developed, which means that its role has become more general and less specific. The system of stabilization established by the fund is summed up in the following few lines:

First of all the principle, which is as valid for coffee and cocoa as it is for cotton and coprah (for palm oil several variations had to be introduced):

• The fund bases itself on a minimum purchase price guaranteed to the producer, which is established annually.

- According to the scale or "differential" it then notes all the expenditures occasioned between the collection depot and the loading point and thus determines a theoretical FOB cost price from which a CAF cost price can be obtained (CAF guaranteed).

- The fund guarantees this value to the exporter, regardless of the effective CAF sale price (realised value).
- If the realised value is greater than the guaranteed CAF price, the exporter pays the difference into the fund. In professional jargon this is known as a "reversement" ("repayment" or "transfer").
- If the realised value is less than the guaranteed CAF price, it is then the fund which pays the difference to the exporter. In the same jargon this operation is known as "soutien" ("support").
- The fund also acts as a sales monitor. This sector is obviously within the domain of the promotion and public relations division which performs its task with great vitality.

If the now well known slogan applied to Robusta from the Ivory Coast, "De la force derrière l'arome" ("the strength behind the aroma") could be adapted in scale to the management of this division, it would undoubtedly read "De la poigne derrière le sourire" ("the punch behind the smile"). For years the Caisse de Stabilisation has been participating in the European fairs specialising in foodstuffs and its brand distributing samples has acquired a certain reputation.

- The main outlets for the Ivory Coast are France, the United States, the Netherlands,

the Federal Republic of Germany and Japan.

- Largest producer of coffee per head of the population, first exporter of Robusta, the Ivory Coast still has a small home consumption, although it is constantly growing.

• The Genetic Division of the Research Centre of the I.F.C.C. in Bingerville has succeeded in producing a hybrid which has been named Arabusta, which is the result of a cross between the Arabica species and the Robusta species, which was no mean feat as the two species are separated by a genetic barrier: the natural Arabica Tetraploid has 44 chromosomes while the diploid Robusta has only 22. The I.F.C.C. of the Ivory Coast therefore undertook to create a tetraploid Robusta by doubling the number of chromosomes. Several attempts were made but with unsatisfactory results either from the point of view of flavour or from the point of view of yield. The basis of the selection process henceforth is to raise the productivity level of this produce to that of the selected Robustas without causing it to lose any of the additional qualities which it possesses. The I.F.C.C. is establishing truly impressive cultivation methods. An experimental plantation of 500 hectares has been created in the Soubre region.

The Ivory Coast has in fact an important role to play, because the new hybrid (which can realise during its period of growth the blends which are at present realised by the roasters) may partially substitute Brazilian coffee or Central American coffee.

Strong Growth in Maritime Services

Given the considerable development of agriculture and industry in the Ivory Coast, the authorities were quick to realize that particular attention had to be given to maritime transport which plays such an essential role in international trade.

The main exports such as coffee, cacao and palm oil, pineapples, cotton, bananas and rubber are exported by sea routes to Western Europe. In fact 94% of Ivory Coast trade is dependant on maritime transport. In order to cater for this amount of traffic the Ivory Coast set up a series of important installations which include:

• The Autonomous Port of Abidjan

It incorporates a large commercial port with a water area of 1,000 hectares with 28 cargo ship berths and three specialized terminals for containers and handles eight million tons per annum. It is the leading container port of Central and West Africa.

Abidjan is also a transit port for countries not on the coast and almost 500,000 tons of goods p.a. are recorded whose origin or destination is Mali, Burkina Faso and Niger. The extensions which are currently underway will soon double the present capacity of the port.

• The Port of San Pedro

"San Pedro is our hope and the stakes are reasonable, we have enthusiasm and faith in the future and the desire to provide our country with an infrastructure which will meet its needs" said the President, Mr. Houphouët-Boigny. The deep water port of San Pedro was established between 1968 and 1971, around which a town has now grown up and a network of roads constructed. The traffic at this port will continue to increase and diversify noticeably over the next years thanks to the new projects which have been completed and those which

are currently being realized in the South West of the country.

The Ivory Coast Shipping Office

The Ivory Coast Shipping Office is under the guidance of the Ministry for Shipping. Its activities concern the rationalization of all aspects of the maritime service in the Ivory Coast and its basic aims are the stabilization of freight charges and the development of the Ivory Coast navy. Cargo reservations made at the Ivory Coast Shipping Office have allowed the national shipping industry to play an effective role in the transport of goods originating from and destined for the Ivory Coast. Hence STIRAM has been able to refurbish and increase its fleet thanks to the regulations on traffic.

A private shipping company with the State holding the majority of the shares, SIVOMAR (Société Ivoirienne de Navigation) Maritime contributes to the national effort which aims to cover more than 20% of the external trade in the very near future.

SISA, (Stram International Shipping Agencies) is an international mixed investment company which provides the framework for a concentrated effort to rationalize the port traffic in Ivory Coast.

Finally, there is SIETRANS which constitutes a major step forward for the public companies in the Ivory Coast because it gives them access to precise, complete information as regards all the details of costs for the international transport of goods.

IDREM

L'Institut de Documentation, le Recherche et d'Etude Maritim (The Institute for Maritime Information, Research and Study) is an organization for discussion, analysis and liaison.



CAISSE DE STABILISATION

ET DE SOUTIEN DES PRIX DES PRODUCTIONS AGRICOLES

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AGRICULTURE

An outstanding example of the "Green Revolution"
in progress



President Félix Houphouët-Boigny
Father of the Nation
Also the leading planter and largest
producer of coffee in the Ivory Coast

President Félix Houphouët-Boigny was born in 1905 in the Ivory Coast and graduated as a doctor from medical school in Dakar.

He was a country doctor and then he was summoned by his family to succeed as Chief of his village.

Having now become a planter, he organised a Trade Union and succeeded in winning the abolition of forced labour.

He then sat as a Député in Paris from 1946.

He was Minister of Health in the French Government of 1956, then Minister of State under Général de Gaulle and one of the founder signatories of the Constitution of the Fifth Republic.

He became President of the Ivory Coast in 1960 and has been re-elected regularly since that date.

"It is our agriculture which alone is the solid and natural basis of our industrialization"

President Félix Houphouët-Boigny 7 December 1966

In 1960 at the time of its independence, the economy of the Ivory Coast was based essentially on agriculture and 90% of commerce was dependent on three products: coffee, cocoa and wood. These products were moreover generally exported in their raw form without local processing. The problem with which those in authority were faced therefore was twofold:

- To diversify agriculture both in an effort to lessen the predominant role of coffee and cocoa and to produce certain food products locally which up to then had been imported at great expense (oil based products, rice, sugar, meat) and to reduce the regional differences as much as possible.
 - To substitute the export of raw products with that of finished or semi-finished products and to produce locally a certain number of manufactured goods such as textiles or fats for foodstuffs.
- This double concern was behind the launching of three large-scale agricultural development operations based on the rice and cotton cultivation in the North and the cultivation of palm and coco-palm oil in the South.

Industrial Plantations

Thus in 1962 the palm programme was commenced and in 1967 the coconut palm programme started. The strategy adopted was established on the following bases:

- a central factory to deal with production
- an industrial plantation realised and operated to best advantage by Palmindustrie in an effort to ensure a minimum supply to the oil store and also to demonstrate the efficacy of modern cultivation techniques to the planters
- individual plantations realized by farmers within the economically developed area in the vicinity of the factory.

The Small and Medium Agricultural Enterprises (PMEA)

These enterprises may be defined as medium sized plantations (50 to 300 hectares) in between the industrial plantations and the village plantations (5 to 10 hectares). At present, five engineers who have completed their agricultural training programme are already going ahead with installations on the land.

It is therefore hoped that by promoting small and medium agricultural enterprises it will be possible to create a generation of independent, modern agricultural operators entirely capable of managing their future in the Ivory Coast. These new agricultural operators will be the models for the improvement and rationalisation of the agricultural sector. Thus, between the years 1986 and 1990 an initial programme of 7,000 hectares of palm plantation will be realised according to this scheme.

Agricultural and Industrial projects realised

Industrial palm plantations	52,000 hectares
Village palm plantations	38,000 hectares
Industrial coco-palm plantations	19,000 hectares
Village coco-palm plantations	10,000 hectares
Total plantations	119,000 hectares
Twelve palm oil works of a total capacity of 420 ton pressure per hour	
1 oil works for grinding cabbage-palm and coprah kernels of a capacity of 350 ton/day for coprah and 280 ton/day for cabbage-palm.	
one coprah factory almost completed	
two storage depots in Abidjan and San Pedro	
6,000 head of cattle, N'Dama and Baoule breeds	
6,000 kms of highway	
55 villages fully supplied (water - electricity)	
32,000 jobs created	
200,000 persons involved	
11 thousand million CFA francs income distributed in 1984 (Palmindustrie planters and personnel).	

Investment

83.4 thousand million CFA francs distributed as follows:

agricultural infrastructure	45.0
industrial infrastructure	24.2
public and civil infrastructure	14.2

Over the period 1983/1990, the total sum of investments is estimated at 160 million US dollars of which 40% would be found in own resources:

Financing

(distributed in million CFA francs)	
Company capital	3,360
Republic of the Ivory Coast	19,203
Banque Mondiale	10,658
European Development Fund	8,207
European Investment Bank	5,486
Caisse Centrale de	
Cooperation Economique	4,195
Other (BICICI, SGBCI, BNDA)	4,477
Self-financing by Palmindustrie	27,814
TOTAL:	83,400

Conclusions

The results obtained from establishing the palm project makes it possible to draw up quite a positive balance sheet.

1. The oil-producing perennials are the best sources of oil for humid tropical Africa. Indeed, by virtue of their high productivity they use relatively limited surface area compared to that used by other types of cultivation. Moreover as permanent tree plantations they ensure a

covering of vegetation which could be compared to that of forest formations which is a factor in favour of the natural equilibrium.

2. From an economic point of view it should be noted that 14,000 jobs were created and all the industrial and agricultural infrastructures constructed should also be taken into consideration. Likewise, the processing of raw materials subsequently permitted the creation of a flourishing processing industry. All these products enable considerable savings to be made on the foreign exchange; the portion of goods exported makes it easier to maintain the stability of the trade balance.
3. The results obtained likewise prove the sound basis of the strategy adopted from the beginning, that is, the re-arrangement within agro-industrial groups co-existing in harmony: village plantations, industrial plantations and an oil works plant.
4. The structure responsible for the running of the whole programme has resources at its disposal from marketing its products. It is therefore under tight control restricted on the one hand by marketing laws and by international competition on the other. Moreover, the strict control of the operation is guaranteed by virtue of the association of private international partners.

Production of Coffee has tripled in 25 years

Over the last 25 years since the fund began operating, the coffee crops in the Ivory Coast have substantially increased in volume, although at an irregular rate. Several bad harvests were registered because of particularly unfavourable weather conditions.

The adherence of the Ivory Coast to the long term international agreements and the scantiness of the quota granted to the Republic by virtue of this in 1963 and 1968 has meant that for several years the country has taken a cautious view as regards extending the cultivation of coffee. It turned its attention, before all else, to compensating for certain coffee plantations which were ageing and deteriorating – considered alarming by the official departments – by new plantations and progressively the traditionally extensive agricultures with a more intensive cultivation.

Cocoa

Cocoa is the most important export from the Ivory Coast, ahead of coffee, wood... With an average production of 400,000 T, the Ivory Coast is the biggest producer of cocoa in the world.

Five countries, of which four are African, ensure 3/4 of this production estimated at approximately 1,670,000 tons. The distribution is approximately, the Ivory Coast 25%, Brazil 20%, Ghana 12%, Nigeria 10% and the Cameroons 7%. However, over the last ten years the African portion has decreased from 73% to 60%. The slump in production in Ghana and the large decrease recorded in Nigeria have not been entirely counterbalanced by the explosion in production in the Ivory Coast. As things stand at the moment however, the Ivory Coast is the only sure supply source, and this explains why all the large importers prefer to establish relations with the Ivory Coast which will enable them to ensure that their factories are never without supplies.

The President Félix Houphouët-Boigny declared to American chocolate manufacturers who had come to explore the potential of the Ivory Coast in the month of December, 1984: "The Ivory Coast is not about to lose its high standing position as the largest producer of cocoa in the world. It is prepared to maintain the production in quantity and quality. For this it needs the confidence and the assistance of the

chocolate manufacturers, those true professionals down the line in the cocoa industry.

We as producers and you as consumers have the same interests to defend".

Cocoa is marketed in the same way as coffee, (internal purchases by the processors on behalf of approved exporters at prices which are guaranteed by the fund) which poses the same finance problems which are resolved using the same banking technique. Obviously there are differences as regards the prices guaranteed and the percentages of the purchase quotas attributed to the exporters. The supervisory division for marketing fulfills the same role for cocoa as it does for coffee (supervising purchases at collection centres, regulating operations from these centres, delivery of consignment notes, spot road checks, fixed checking points at "Dabou" and "Azague"). As regards cocoa, the internal concern the humidity rates which are calculated with a hydro-meter and checks for mould (not more than 6%).

Rubber Plantations

The production of rubber, which increases in relation to the scheduled tapping of the trees and will evolve accordingly as the trees grow older, will gradually increase from 294 ton a year in 79/80 to almost 30,000 ton in 1990. This level should subsequently be maintained over a period of twenty years before beginning to decrease up to the year 2018 when it is possible that the plantation might be completely replanted. Over the entire duration of its life span, the plantation should produce 866,000 ton of dry rubber which, calculated at the present rate of 495,000 FCFA a ton gives a turnover of 428 thousand million FCFA.

Market Prospects

The cultivation of rubber is at present one of the most promising sectors in agriculture in the Ivory Coast. The medium and long term prospects on the world market are good, given that an increase in the demand for natural rubber is expected and that the high demand is expected to continue once the present world recession reaches an end. On a national level, apart from the advantage as regards the diversification in agriculture, the cultivation of rubber would seem to be a suitable alternative and one which is acceptable from an ecological point of view, which would prevent over working the forests and/or which would yield satisfactory returns on investment in capital and labour. Moreover, the national production, whatever its expected volume, would not have any significant effect on world supply.

All the economists are of like opinion, deeming that natural whose market price is partially effected by the cost price of synthetic rubber from the petrochemical industry, and whose utilisation a direct result of transport operations in world economy, represents one of the most promising agricultural products of the future.

The World Bank is of the opinion that the market price of rubber between the years 1985 and 1995 should progress by 2% per year in relation to the steady dollar, which in francs CFA would mean an increase well above the rate of inflation. ("1 FCFA = Dollar US")

The results presented above are in fact the outcome of an understanding based on the close cooperation, regrouping the research organisation, those responsible for the programmes and finance establishments under the care and guardianship of the competent authorities (The Ministry for Agriculture, Waters and Forests), in a stable political atmosphere which has reigned in the Ivory Coast since gaining independence, already over 25 years ago.

A MESSAGE FROM THE MINISTER FOR AGRICULTURE, WATER AND FORESTS

Our development must begin with home processing of our products in order to share the added value. In order to achieve this it is necessary first of all to resolve the problem of unsuitable training methods whereby the transfer of technology becomes a simple technical veneer. Training should be brought back home. Why should Ivory Coast nationals go abroad to learn how to process cocoa or palm oil? Financing is also not adapted and sometimes results in absolute financial disasters. There are therefore two important courses which should be pursued by developing countries:

Suitable training – in the Ivory Coast we are thus going to repatriate training procedures which we were researching abroad, although it may mean supplementing these with new formulas – and suitably adapted financing thus allowing us to play a competitive role.

Finally, in the recovery stage, it will be necessary to monitor the markets in order to have the possibility of investing in developed countries. We ourselves have experimented with the company "Cacao Barry" ("Barry Cocoa").

and the year 2015, receive dividends amounting to 90.5 billion, not to mention the 103 billion which the Ivory Coast State will gain in the form of BIC taxes. In order for the net profit to be nil it would be necessary either for sales to be reduced by 50% or for costs to rise by 78%; the conclusion to be drawn from this estimation is that the company has quite a substantial profit margin,



Photo: Fathi Mahouschi
Denis Bra Kanon
Minister of Agriculture, Water and Forests

Businesses from cocoa producing countries must be able to invest at subsequent stages; they could therefore profit from the business spread and even bring the profits back home.

Société des Caoutchoucs de Grand-Béréby

One of the largest rubber plantations in the world

SO.G.B. itself as the company will then be financially capable of this.

The Opinion of the World Bank

In its Report of June 83, which served as a basis for granting the loan for the IVth Rubber Cultivation Project, the World Bank made the following observation regarding the overall period 1973-1982:

"While the first Grand-Béréby Project (1973-82) was confounded by multiple technical and administrative problems (as well as the unforeseen inflation rate), the second Grand-Béréby Project (1978-82) was successfully realised. In October 1981, 13,500 hectares were already planted, one year ahead of the work schedule. Thanks to the excellent quality of the plantation, the time necessary for the trees, which are now being tapped, to mature is on average 5.5 years instead of the 7 year period on which the evaluation was calculated. Present production is approximately 14% greater than forecast in

Profitability of the SO.G.B.

The forecasts below are in current FCFA up to the year 1990 and in fixed FCFA for the following years; the course of rubber follows the highest forecast up to the year 1990 and remains at the 1990 level for the following years.

The table is established on the basis of data extracted from the study of financial profitability carried out by the World Bank (June 1983) in conjunction with the SO.G.B. for the basic factors involved. The possibility of replanting the plantation from the year 2010 is not taken into account.

In millions	81/82		82/83		83/84		94/95		Annual Average Forecast
	Forecast	Realised	Forecast	Realised	Forecast	Realised	Forecast	Realised	
Gross margin for self financing	165 (586)	78 (524)	(90)	117 (598)	7,970 6,051	11,570 9,078	302,785	7,042	
Net annual result	(862)	(820)	(1,920)	(1,418)	7,287 4,083	46,274 103,029	5,333 2,396		
BIC Taxes	-	-	-	-	2,715	4,083	-	-	
Dividends	-	-	-	-	1,000	3,000	90,500	2,104	



Invest in the Ivory Coast

Welcome to the Ivory Coast

The Ivory Coast has doubled its population in one generation. This is due as much to an exceptionally high birth-rate as to a continual stream of immigrants coming into the country.

Our brothers from Burkina Faso make up the greatest number of immigrants while our neighbours from Mali, Guinea and Ghana have come to try their luck and a great number of them have stayed.

The Ivory Coast needs a good number of technically qualified people to ensure its development, that explains why the European population is five times larger than it was in 1960.

Finally, the size of the Lebanese community has increased considerably in recent years as the President, moved by the plight of the refugees from the dislocation and upheaval of the Civil war in the Lebanon, opened the frontiers of the Ivory Coast to many of them.

Investment in the Ivory Coast

- Full facilities for transferring capital out of the country.
- An extremely flexible taxation system.
- Tax free entry for machinery and raw materials used for production.
- Investment rules that are the most liberal in French-speaking Africa.

Useful Addresses

ABIDJAN

Ministère de l'Economie, des Finances et du Plan
Direction Générale des Douanes BP: V 163 Direction Générale des Impôts BP: V 103

Direction Générale de la Pléonction BP: V 65 Direction de la Prévision BP: 650

Direction de la Statistique BP: V 55 Direction Centrale des Marchés BP: 169

Service Autonome de la Documentation, des Archives et des Publications BP: V 125

Caisse Autonome d'Amortissement BP: 670 Ministère de l'Information BP: V 138

Ministère des Travaux Publics, des Transports, de la Construction et de l'Urbanisme BP: V 6

Ministère du Commerce BP: V 142 Ministère de l'Agriculture BP: V 82

LONDON: Ivory Coast Embassy, 2 Upper Belgrave St., London, S.W.1.
Tel: 235 6991

PARIS: Bureau Economique de la Côte d'Ivoire
24 Boulevard Suchet, 75116 Paris.
Tel: 524-43-28

NEW YORK: Economic Bureau of the Ivory Coast
117 East 55th Street, New York, N.Y. 10022

The Liberal Economic Climate of the Ivory Coast

The liberal economic policies of the Ivory Coast have been even more developed.

— On the economic level by the dissolution of a great number of the parastatal companies and the sales of their shares to the private sector an effort has been made to make them more efficient by letting them work freely and be subject to market forces.

— On the political level, by allowing a free choice of candidates to all levels of party and administrative posts, younger blood is therefore brought into the responsibilities of government.

From now on, the President can count on a solid team of technocrats who enjoy the confidence of the people and who will be able to maintain the main tenets of his policies.

THE INVESTMENT CODE

LAW NO. 84 - 1230 of 8 November 1984 Establishing the Investment Code.

THE NATIONAL ASSEMBLY has adopted,
THE PRESIDENT OF THE REPUBLIC
decrees as law the following,

SECTION I

SCCPE

ARTICLE 1

Persons or corporate bodies from the Ivory Coast or abroad who carry on any activity specified in Article 2 below, in the Ivory Coast, within the framework of an enterprise constituted in accordance with the legislation of the Ivory Coast are assured of general guarantees which derive in particular from Section II of this Code and may, in addition, benefit from the particular advantages defined in Section III below.

ARTICLE 2

This Code shall apply to all enterprises, including small and medium concerns which carry on their business in one of the following sectors:

- a) Cultivation, fishing and farming industries, related activities such as processing of products of animal or vegetable origin;
- b) Manufacturing production or processing activities;
- c) Research, extraction or processing of mineral substances;
- d) Energy production;
- e) Realisation of accommodation programmes of a social and economic nature;
- f) Storage and market preparation of foodstuffs and agricultural products.
- Small and medium sized enterprises may, in addition, benefit from the provisions of this Code if they carry on activities which provide services in one of the following sectors:
- g) maintenance or assembly of industrial equipment;
- h) market preparation of unprocessed products;
- i) laboratory tests or analysis of raw materials, finished products or semi-finished products used or produced in industry.

ARTICLE 3

For the purposes of implementation of this Code, those businesses which cumulatively fulfill the five following conditions shall be considered as small and medium enterprises:

- to present an investment programme for an amount fixed by decree;
- to employ, as much for current activities as for the investment to be realised, a number of permanent wage-earning employees fixed by decree;
- to be duly constituted as an individual business concern, as a commercial company or a cooperative and to satisfy the legal obligations as such;
- to keep regular accounts regardless of the turnover realised;
- to satisfy the general obligations listed under Article 13 of the present Code.

ARTICLE 4

Small and medium businesses, whose investments are entered as part of the Plans d'Actions Prioritaires (Priority Action Plans), as defined in the Decree from the Council of Ministers, may benefit from the provisions of this Code even when these activities do not fall within the sectors specified in Article 2 or when they do not fulfill one of the conditions relating to the minimum number of jobs or the minimum investment sum as stipulated in Article 3 above.

ARTICLE 5

The present Code shall apply to persons or corporate bodies from the Ivory Coast as well as persons or corporate bodies from abroad, by virtue of their activities in the Ivory Coast or their shares in the capital of Ivory Coast companies.

ARTICLE 6

The provisions of this Code shall not interfere with more general guarantees and benefits provided for by treaties or agreements entered into, or which may be entered into, between the Ivory Coast and other States.

SECTION II

GENERAL GUARANTEES

ARTICLE 7

Private investments shall be freely effected in the Ivory Coast, subject to the specific conditions stipulated, in particular, to ensure the protection of public health and sanitation, the protection of trade or the public economic policy.

ARTICLE 8

The persons or corporate bodies specified in Section I of this Code shall receive, subject to the conditions of Section III, equal treatment as regards the right and obligations resulting from the legislation of the Ivory Coast and concerning the activities defined in Article 2 above.

By virtue of this, persons or corporate bodies from abroad shall receive identical treatment to persons or corporate bodies from the Ivory Coast, subject to the measures relating to all foreign nationals and implementation of the same equal treatment by the State from which the foreign person or corporate body in question originates.

The persons or corporate bodies from abroad shall receive equal treatment subject to the provisions of Treaties and Agreements concluded between the Ivory Coast and the other states.

ARTICLE 9

Persons or corporate bodies who are non-resident in terms of the exchange regulations and who invest in the Ivory Coast in convertible foreign currency, have the right of transfer to the State in which they are resident of the venia of any nature as a result of the capital which they have invested as well as the return on winding up the investment.

ARTICLE 10

Any dispute between a person or corporate body from abroad and the Republic of the Ivory Coast relating to implementation of the present Code shall be settled in accordance with arbitration and conciliation procedures resulting:

- either from treaties and agreements relating to the protection of investments concluded between the Republic of the Ivory Coast and the state from which the person or corporate body concerned originates;
- or from a conciliation and arbitration agreed between the parties;
- or from the Agreement of 18 March 1965 for the Settlement of Disputes concerning Investments between States and those from other States, drawn up under the care of the Banque Internationale pour la Reconstruction et le Développement and ratified by the Republic of the Ivory Coast by virtue of the Decree No. 65/238 of 26 June 1965;
- or, if the body concerned does not fulfill the conditions concerning arbitration and conciliation in Article 23 of the aforementioned Agreement, in accordance with the provisions of the regulation Mémoires Syndicales (Supplementary Facility), approved by the governing board of the Centre International pour le Réglement des Différends relatifs aux Investissements (CIRDI) (ICSID), International Centre for the Settlement of Investment Disputes. The assent of the parties to submit to the authority of the ICSID or the Supplementary Facility, as the case may be, required by the laws governing these latter shall, in the case of the Ivory Coast be established by this Article and, in the case of the body concerned, be expressed specifically in the request for consent.

SECTION III

PRIORITY BUSINESSES

Chapter I - Common Provisions

ARTICLE 11

The businesses referred to in Articles 2, 3 and 4 above may request to be granted priority status with a view to benefiting from the advantages defined in this section.

ARTICLE 12

The businesses may be granted priority status by virtue of investments made on the occasion of:

- establishment of an operation, the expansion and development of an existing activity;
- or a restructuring programme, as soon as these investments coincide with the development of the sectors specified in Article 2 above and offer financial and technical guarantees and a satisfactory economic profitability.

ARTICLE 13

The request for status as a priority business shall be supported by a file containing all the useful information for a legal, technical and economic analysis of the project.

The request for priority status shall likewise involve the obligation of the business in respect of the following general conditions:

- to give priority to the use of materials, raw materials, products and services from the Ivory Coast, besides those available and are equal, as regards price, quality and other details, to goods of foreign origin;
- to use and ensure the training of specialised executives and employees from the Ivory Coast;
- to respect the national and international standards of quality applicable to the goods and the services which form the subject of its activity;
- not to alter the ecological conditions, in particular, the environment;
- to have a body of accountants available to ensure, thereby, respect of the laws, regulations and provisions and their correct application in the matter concerned and, when necessary to isolate those operations relating to the activities benefiting from priority status from the other activities of the business;
- to observe the provisions laid down by law relating to the deposit of the agreements and contracts concerning the rights of industrial ownership or the acquisition of technology;
- to submit the information required to verify observance of the conditions required for priority status to be granted.

ARTICLE 14

The status of priority business is granted by Decree issued by the Council of Ministers upon notification from the Commission Interministérielle des Accords Prioritaires (Interministerial Commission on Priority Status), the composition and methods of the business in question being defined by Decree.

The Decree of priority status defines, in particular:

- the purpose, contents, location and period of realization of the investment;
- the particular obligations of the business to which priority status has been granted;
- the nature and duration of the benefits granted;
- when necessary the arbitration procedure which shall be applicable.

ARTICLE 15

The Minister for Industry shall ensure that the businesses which are granted priority status shall observe the obligations to which they are committed.

Failure to observe these obligations shall result in the partial or total forfeiture of the benefits granted under priority status, by Decree issued by the Council of Ministers, to be reckoned from a date specified in the said Decree. This penalty may only be effected further to notification followed by a grace period, in order to allow the failures or defaults which have been noted to be remedied within a reasonable space of time.

ARTICLE 16

Priority status shall be granted for a period of time which shall vary as a function of the zone where the investment is to be realised vis-à-vis the regions. For this purpose, the territory of the Ivory Coast shall be divided into three zones which shall be known as A, B and C defined by Decree.

The duration of the priority status is:

- 7 years for investments made in zone A
- 9 years for investments made in zone B
- 11 years for investments made in zone C.

The provisions of the present Article may be amended by virtue of an agreement concluded between the State and the concern to which priority status has been granted, although the duration of the period for which priority status may have effect may not be more than fifteen years.

This period shall be extended by the realization periods of the investment programmes as indicated in the Decree granting priority status or the aforementioned agreement.

Chapter II - Benefits Granted

ARTICLE 17

Priority status businesses shall benefit from exemption from customs duties and entry taxes, by virtue of the realization of their approved investment programme, on:

- materials, apparatus and equipment necessary for the realization of the investment;
- specific spare parts for the imported equipment which shall be limited to an amount equal to 10% of the C.A.F value of the equipment in question for operations located in zone A, 20% for a zone B location and 30% for a zone C location.

The following items may not qualify for exemptions provided for under the present Article:

- materials, apparatus and equipment, whose equivalent may be found in the Ivory Coast and which is as readily available, from the point of view of quality, price (incl. of tax) and time, as those of foreign origin;
- vehicles used for the transport of personnel and those intended for the transport of goods;
- movable goods.

ARTICLE 18

Priority status businesses in the agro-industrial sector which are not subject to VAT, which may reject this arrangement and choose instead to be subject to V.A.T., either at the normal rate or at a reduced rate on implementation of the cut-off regulations.

ARTICLE 19

The registration charges applicable in accordance with Article 588 of the General Code on taxes on capital gained by the creation or increase of the capital of a company which has been granted priority status, by virtue of the realization of its investment programme, shall be reduced by fifty percent for the period of duration of its priority status.

ARTICLE 20

Priority status businesses are exempt during the period of their priority status, from the following charges, duties and taxes:

- taxes on industrial and commercial profits;
- trade and license contributions;
- land and building taxes on properties constructed and taxes on property in possession.

In any event the duration of the exemption period may not be less than that provided for under common law in force at the time of granting priority status.

ARTICLE 21

For cases other than those specified in Article 18 above, priority status businesses which are not subject to VAT, may reject this arrangement and choose instead to be subject to V.A.T., either at the normal rate or at a reduced rate on implementation of the cut-off regulations.

- 3. The exemption from charges, duties and taxation referred to above shall be valid up to the end of the third year prior to the last year of the period of priority status. Further to this the exemption shall be reduced:

- to 75% of the taxes normally due for the second year prior to the last year of the period of priority status;
- to 50% of the taxes normally due for the penultimate year of the period of priority status;
- to 25% of the taxes normally due during the last year of the period of priority status.

ARTICLE 22

Businesses which are granted priority status by virtue of the creation of production or processing activities shall benefit from assistance related to the value added in the Ivory Coast.

The sum of this aid shall vary depending on whether it concerns a small or medium business and as a function of the location of the investment.

The aforementioned relief relating to the value added in the Ivory Coast shall be graduated during the first five years of operation.

It shall be calculated by applying a percentage fixed by Decree on the total annual wages paid to permanent Ivory Coast personnel.

This assistance, determined on a monthly basis by application of the percentages indicated in the Decree, shall be considered as a tax credit deductible from the contribution to be paid by the employer, due for the same period. If the case arises, the excess tax credit may be recuperated on a budget line entered in the fiscal Appendix of the Loi de Finances (Financial Law).

Chapter III - Business Agreements

ARTICLE 23

BUSINESS/FINANCE

TURDAY-SUNDAY, MARCH 9-10, 1985

ECONOMIC SCENE

U.S. Policy and the Dollar:
Is a Decline in the Offing?

By LEONARD SILK

New York Times Service

NEW YORK.—The soaring dollar was jolted again this week by the warning of the Federal Reserve Board's chairman, Paul A. Volcker, that there could be a "very sharp decline" in the dollar's value because market psychology could change rapidly.

Psychology obviously has a lot to do with the day-to-day rise of the dollar, whose drops send interest rates up and the securities markets down. On Thursday, the dollar jumped on news that the money supply had grown more rapidly than expected.

But the big question is whether the markets are starting to see a

king of the dollar resulting from fundamental changes in economic and political life and from the actions of the Fed, the Reagan administration and Congress, as well as those of foreign central banks and governments.

Mr. Volcker, whether he intended to or not,

shook the bond market down and interest rates up with hisimony Wednesday in Congress that the Fed had ended its gressively easing monetary policy of the last four months but not yet decided to tighten.

After Mr. Volcker suggested that the markets had misinterpreted his statement, He caricatured the markets' reaction by giving them taken "about one nanosecond" to react, implying y had misread him.

In a prepared statement, Mr. Volcker said Wednesday that "we want to provide enough money this year to sustain orderly growth in demand and output." Pressed to say what the Fed did next, Mr. Volcker said, "I don't know what the next ve is."

In confusion, the dollar fell in response to Mr. Volcker's latest imony, and so, a nanosecond behind, did the stock and bond markets. Confusion, which the markets abhor, was intensified by speech given at the Brookings Institution the same day by Alan Martin, the vice chairman of the Fed and a Reagan jointee.

Mr. Martin said that "somewhat faster" growth of the money may be needed this year because of a slowdown in the rate at which the money supply turns over.

AS Mr. Volcker actually trying to slow the growth of the money supply and Mr. Martin trying to speed it up? In an interview Thursday, Mr. Martin sought to dispel the confusion by saying that Brookings had asked him to look aheadough 1985 and 1986, while Mr. Volcker was looking backwardough the latter part of 1984.

"While we eased back in August and September, we are no longer easing," Mr. Martin said. "The present status, he said, is "we are neither tightening nor loosening."

Essentially, he insisted, monetary policy had not changed. "We're permitting the narrowly defined monetary aggregates to grow above their cones or their targeted range," and that is still case, he added.

Mr. Martin said M-1, consisting of currency in circulation, bank deposits, traveler's checks and other checkable deposits, still increasing at an annual rate of 10 percent or 10 percent."

How could the markets interpret this as tightening?" he asked ironically. In raising interest rates in response to its expectations of future monetary policy, he said, the market was making a fulfilling prophecy.

For the whole of 1983, he said, the Fed would be at or above its jets for M-1, depending on what happened to velocity. If velocity sagged again, as it had in 1982, "we will be at or above 10 percent" in monetary growth.

What did the Fed mean to do about the dollar? he was

(Continued on Page 19, Col. 1)

Currency Rates

Latest interbank rates on March 8, excluding fees.

Ricci Ratings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates of

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	

SPORTS

Ricky Bell — Death in the Style of Lou GehrigBy Chris Dufresne
Los Angeles Times Service

DAVIS ANGELES — Lou Gehrig would liked Ricky Bell. He would have adored his style. He would have appreciated the gifts of grace and strength and durability. He would have respected his humility and defeat.

They were iron men of different generations. Gehrig and Bell, yet they seemed bound by a common thread. Gehrig, the big first baseman, played 2,130 consecutive games. Bell, the tireless USC tailback, carried the ball 51 times in a single game in another game he gained 347 yards. Bell had second to Tony Dorsett in the 1976 man Trophy balloting and was the first in the 1977 NFL draft.

Both Gehrig and Bell were struck down in prime, victims of rare muscle diseases could barely pronounce, let alone understand. Both lived their final days robbed of strength and stamina that was the core of their legends.

Ricky Bell, like Gehrig, never sought the sympathy of others.

Bell died Nov. 28, 1984, at Daniel Freeman Hospital in Inglewood, Calif. He was 29. He died of a heart attack triggered by an uncommon muscular disease of the heart called dermatomyopathy. It's a form of dermatomyopathy, an inflammation of the skin and muscles.

Fewer than 5 percent of people with dermatomyopathy ever contract the form of disease as serious as cardiomyopathy.

When Bell got a bad break,

Todd Marin of the Los Angeles Raiders, his teammate at USC, said after the funeral he and his friends never realized Ricky was so sick.

People would call the house and ask how Ricky was doing and he'd say "I'm great." His wife, Natalia, "It made me sad. I'd say, 'Why are you saying that?' And I'd say, 'I don't want anybody feeling sorry for me.'"

Bell lived as he played. He was tough and stubborn, never conceding an inch. To the end, he swore that he would beat this disease. To admit to anything else was unbearable. He suffered immensely, but it was like him to bare his emotions.

No one read the rights he wrote screaming in pain. No one knew that near and he couldn't even help his wife carry in groceries or get a glass of water by himself.

No one knew about the oxygen machine. It became his bedside companion, or about pain relievers he never took. No one knew the pain he suffered when he tried to reach for his 4-year-old daughter, Noella, knowing full well he couldn't lift her.

Two weeks before Bell died, Natalia had a late meeting with Ricky's physician, Dr. Alan Metzger, and was told that her hus-

band's heart would not hold up for more than six months.

Bell Ricky never knew. He wasn't sitting around waiting to die. The night before he died, he was planning, not dwelling on the past. He had obtained his real-estate license and talked of getting into the pest-control business.

Ricky would never allow Natalia to talk about death.

The disease that Bell had, cardiomyopathy,

just saying that because he was my friend or because he died. What I loved about him was that he was sincere.

"I spent five years in the NFL and saw a lot of athletes get a lot of press for doing community things that were really staged. He didn't do that. A lot of things he did were never publicized. He spent a lot of time with kids in South Los Angeles. And he did it for free."

Bell had his biggest season in 1979, when he gained 1,262 yards in leading Tampa Bay to the NFC Central Division title. But the following years were marred by injury. Bell didn't recover from injuries as quickly as other running backs. Then again, he thought, other backs didn't have to run behind Tampa Bay's weak offensive line. Maybe he was just getting old.

Bell was traded to the San Diego Chargers in March of 1982. He dreamed of a new beginning, but the dull ache in his legs would not subside.

Natalia remembers him coming home from workouts and collapsing on the couch, where he would sleep the night away. He developed lesions on his hands.

Charger physician, Dr. Lee Rice, referred Bell to arthritis-specialist Dr. Michael Weisman at the University of San Diego.

"Right off the bat I knew there was a serious problem," Weisman said. "He had swollen hands and feet, and open sores on his fingers and toes."

When the disease was first diagnosed in January of 1983, Bell refused to accept it.

He was constantly testing his endurance. In early 1983, he drove by himself across the country. He stopped in various cities along the way to phone progress reports to his wife and Dr. Weisman.

Bell made it to Tampa but was so exhausted that he needed a friend to drive him back.

"The lowest point, I remember, is when he came into my office one day," Weisman said. "He said how much he loved his daughter but that he couldn't even pick her up and swing her over his head. He said he'd try to chase his daughter around the house but couldn't do it. When he told me that, I almost cried."

Bell couldn't sleep the night before he died, but that wasn't unusual. Because of the pain and his difficulty in breathing, Bell often had to sleep sitting in a chair.

Natalia was typing a term paper the night before Ricky died. He stayed up with her.

Natalia awoke at 6:30 a.m. to get Nella off to school and then was off to school herself.

Natalia was in her second class when a security guard entered the class.

"I knew he was for me," she said.

Ricky had been taken to the hospital. "They didn't tell me he had a heart attack, but I knew."

Ricky Bell had died at 11:06.

affects about five in every million people. Doctors do not know the cause of dermatomyopathy.

"It's a disease where the muscles and arteries are attacked and may be started or triggered by a virus," said Metzger, who treated Bell during the last year of his life. "The muscles get inflamed, causing profound weakness. The blood vessels within the skin become severely inflamed to the point where you're unable to use your muscles. The weight loss comes from the body trying to fight off the disease."

In most cases, Metzger said, the disease can be controlled with cortisone and immuno-suppressives, drugs that reduce muscle inflammation. But in extreme cases, such as Bell's, the disease spreads to the lungs and heart, forming the worst kind of dermatomyopathy.

"It's ironic that someone with such a big heart would succumb to something associated with the heart," said Melvin Jackson, a former USC lineman who was Bell's best friend. "I thought he was rare, and I'm not

about five in every million people. Doctors do not know the cause of dermatomyopathy.

The elder Kosar said the policy is effective through July 1986, when his son's class is due to graduate. He added the insurance company involved only insures "exceptional athletes."

U.S., India, Korea Lead Davis Cup

The Associated Press

KYOTO, Japan — The United States Davis Cup tennis team, playing without top stars John McEnroe and Jimmy Connors, easily won the first two singles matches against Japan to take a decisive lead Friday in Davis Cup tennis.

Ricky Bell holds his new Tampa Bay jersey after being made number one choice in the 1977 NFL draft.

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ART BUCHWALD

Arms Control Dreams

WASHINGTON — "The arms control talks will come to order. Did the gentleman from the Soviet Union wish to speak?"

"My government must protest President Reagan's request for funding of new MX missiles at a time when we are in Geneva to begin arms negotiations. Are we to seriously discuss reducing weapons at the very moment your American leaders are asking Congress for authority to build more of them?"

"It is very simple, Mr. Federenko. The only reason the president wants the MX missile at this time is so you Soviets will know my country is serious about getting a fair and verifiable treaty."

"Why should we give up our ICBMs if the United States keeps building the MX?"

"Because, Mr. Federenko, you know as well as I that the MX has no strategic value. The original idea was to move it underground so we could retaliate if you launched a first strike attack. When that idea proved too costly we decided to put the MX in hardened Minuteman silos. The instant we did that its value as an offensive weapon was lost."

"If it has no value as an offensive weapon why does your president keep asking for money to produce so many of them?"

"Because the MX is the secret bargaining chip we intend to use in these negotiations. We're reluctantly willing to give it up at some time if you are reluctantly willing to give up one of your missile systems."

"Forgive me for asking this, but if the MX is really a secret bargain-



ing chip, why are you telling me this?"

"Because, Mr. Federenko, we believe if we tell you what we are willing to give up, then you will offer us a bargaining chip of your own — something that has no real value in your arsenal."

"We have plenty of those. But if you eliminate a weapon you couldn't care about, and we eliminate one that we don't want, does that reduce the risk of a nuclear war?"

"If we both give up obsolete weapons it's easier to arrive at an agreement. The difficult part is to give up something the president insists we need."

"Such as 'Star Wars'?"

"Exactly. 'Star Wars' will never be used as a bargaining chip because, once we develop it, we don't care if the Kremlin signs an arms treaty with us or not. If we can knock all your weapons out of the sky, why should we talk to you?"

"By the time you develop a fool-proof 'Star Wars' defensive system, we will develop a foolproof offensive system to penetrate it."

"You're just saying that, Mr. Federenko, because you want us to put 'Star Wars' on the table."

"How can you put it on the table when you don't know what it is?"

"How do you know we don't know what it is?"

"Because if you really had a 'Star Wars' system we would have stolen it from you by now. You should know there are no secrets from the KGB."

"'Star Wars' is dear to Mr. Reagan's heart, and whether it exists or not is immaterial. The fact that the president dreams about it makes the system non-negotiable."

"Then we will not agree to any nuclear arms reductions until the president stops dreaming about Star Wars."

"The Soviet Union cannot tell the president of the United States what he can or cannot dream about."

"We can if his dreams are destabilizing the balance of power in the world. We have an answer to every space weapon he dreams of putting in the sky, and we intend to start building them right now."

"Is that your final word, Mr. Federenko?"

"No, it's my opening statement. Now let's start the talks."

Santa Anna Relics at Alamo

The Associated Press

SAN ANTONIO, Texas — Archaeologists have discovered the first relics of General Antonio López de Santa Anna's Mexican troops at the Alamo, almost exactly 149 years after the fort fell. The artifacts include a bayonet, a howitzer shell and parts of muskets.

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It's Just Another Volume
For Historian Nearing 90

By Joseph Berger
New York Times Service

NEW YORK — As he nears his 90th birthday in May, Salo Wittmayer Baron is not yet finished with his life's work.

This indefatigable Polish-born historian has begun writing the 19th volume of his history of the Jews and he has firm plans for Volumes 20 and 21. A stranger might think age has impaired his judgment, but Baron suggests he has the vigor to complete the work and is satisfied to leave it open-ended to others.

"We both give up obsolete weapons it's easier to arrive at an agreement. The difficult part is to give up something the president in-



Salo Wittmayer Baron and his wife, Jeannette.

offers admires is that many of his single-volume works deal with Jewish history since 1650.

What distinguishes Baron's work is that he does not view the history of the Jews in isolation, but studies them as part of the societies in which they have lived. Thus he has had to grapple with the histories of numerous cultures and become comfortable in Hebrew, Russian, Serbo-Croatian, Arabic, Aramaic and about 15 other languages — tasks that have daunted historians before him.

While teaching and as a professor emeritus, he wrote 13 books on Jewish history, edited four others, and contributed almost 500 articles and addresses, an output regarded by scholars as extraordinary.

His magnum opus, whose 19th volume he is writing, is "A Social and Religious History of the Jews" (Columbia University Press). It began in a series of lectures at Columbia and was published in a three-volume edition in 1937. It began coming out in the current, revised version in 1952, when the first two volumes appeared.

Volumes 3, 4 and 5 were published in 1957, 6, 7 and 8 in 1958, and 9 and 10 in 1965. Others followed with similar dispatch. Volumes 11 through 21 are expected to concern communal life between 1200 and 1650, a distinctive self-government that included Jewish courts, schools, police and welfare systems.

To his chagrin, Baron doubts he will fulfill his vision of carrying the work into the modern period. "I'm sorry, but I can't live until 120," he said. The consolation he

pers the only surrender to leisure.

His vigor was apparent in the ease with which he repeatedly rose from a plump blue sofa to show a visitor a book, an honor he won from the Italian government a recent article indicating that Sartre was impressed by the French edition of Baron's history.

"I feel quite young even now," he said. "People of 90 are usually sitting in a rocking chair. I have never sat in a rocking chair. I walk and I work."

He worked 70 to 80 hours a week until he was 75. Now he has shaved a few hours from that regimen. He begins his day at 6 A.M., works at home until 8:30, walks for two or three miles along Riverside Drive, then returns to work, most often at Columbia's Butler Library. He goes home for lunch and works there through the afternoon, stopping at 9 P.M.

Home, a seven-room apartment behind Barnard College, is a library rummy school would envy, in every room and hallway, books and bound periodicals — three deep on some shelves — and the walls and spill over onto easels and chairs.

Baron lives there with his wife, Jeannette Meisel Baron, whom he met in 1933 when she was at Columbia working on a doctorate on Jewish banking. They have two

daughters, seven grandchildren and three great-grandchildren.

Baron was born on May 26, 1895 in Tarnow, Poland. His parents, Orthodox but enlightened Jews, were part of the Jewish aristocracy of Galicia. His father, a banker, was president of the Jewish community of 16,000.

At 3, he received a chess set for Hanukkah; by 6, he says, he could beat everyone he knew. At 12, he was writing Hebrew poetry. Until 15, he was a convinced Polish nationalist, then swung to rigorous Orthodoxy, then became an ardent Zionist.

By 18, he was certain he would specialize in history. The family came from William Wellman's 1951 movie "Westward the Women," which played on Spanish television; in it, a group of women goes to California in the late 1800s to answer an advertisement — philosophy in 1917, political science in 1922 and law in 1923. He was ordained a rabbi at a Vienna seminary in 1920.

In 1926, Rabbi Stephen S. Wise invited Baron to teach at the Jewish Institute of Religion in New York, where he remained until Columbia beckoned with the law.

In 1961 he was called as a witness in the trial of Adolf Eichmann to testify how the Nazis had destroyed the Jewish communities of Europe. His parents and a sister were killed in Treblinka.

He recalls that Eichmann asked him why anti-Semitism had been so persistent. "I told him that one of the best explanations is the dislike of the unlike," he said. "People dislike people who are not quite like them."

To the frequent distress of the Jews, he said, they have been different for 3,000 years. What accounts for their survival, he said, is their sense of being a "historical religion" grounded in events like Exodus or the giving of the Torah, in contrast to a "natural religion," based on things like rain.

Baron is cautious in assessing the prospects for Jewry, despite its relative security today. He recalled that in Spain in the 13th century Jews were diplomats and government leaders. Yet by 1391 pogroms had begun and by 1492 they were expelled. They thrived in England in the 11th century, yet by 1290 were expelled.

"We can't be sure that things will last," he said.

Three busloads of unmarried women have descended on northeastern Spain after 140 bachelors, inspired by an American western film, advertised for eligible women.

The bachelors received 200 responses to their one-day ad in two regional newspapers, and about 100 women followed in buses from Madrid, Barcelona and Zaragoza, capital of the Aragon region, near the French border. The idea came from William Wellman's 1951 movie

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